

DOCUMENT RESUME

ED 156 774

UD 018 401

AUTHOR Vescera, Lawrence; And Others
TITLE An Examination of the Flow of Title I and State Compensation Aid and their Effect on Equalization in Four States: Florida, New Jersey, New York and Texas. Paper No. 10.
INSTITUTION Education Commission of the States, Denver, Colc. Education Finance Center.
PUB DATE Feb 78
NOTE 100p.; Pages 68-71 may be marginally legible due to the print quality of the original document
EDRS PRICE MF-\$0.83 HC-\$4.67 Plus Postage.
DESCRIPTORS *Compensatory Education Programs; *Delivery Systems; *Equalization Aid; *Federal Programs; *Resource Allocations; *State Federal Aid
IDENTIFIERS *Elementary Secondary Education Act Title I; Florida; New Jersey; New York; Texas

ABSTRACT

This study examines a number of questions surrounding the distribution of Title I aid and state compensatory education aid. The extent to which the two types of aid are complementary and their effect on the equalizing thrust of the state general aid are also examined. There are four major states that are studied: Florida, New Jersey, New York, and Texas. The findings indicated that Title I aid, state compensatory aid, and state general aid did not all flow in the same manner to all school districts. In addition, as Title I aid increased in a school district, the average Title I expenditure per pupil increased and the number of Title I eligible students served also increased. Districts receiving the greatest Title I disbursements had the lowest median family income. Districts that received high levels of state general aid tended to differ from high Title I aid districts in a number of general characteristics. Finally, state compensatory education and Title I aid tended to flow in large part to the same school districts. The primary finding supported by this study is that categorical compensatory education aid from State or Federal sources studied enhanced educational expenditure equity in the states. (Author/AM)

 * Reproductions supplied by EDRS are the best that can be made *
 * from the original document. *

ED156774

PAPERS IN EDUCATION FINANCE

Paper No. 10

AN EXAMINATION OF THE FLOW OF TITLE I AND
STATE COMPENSATION AID AND THEIR EFFECT ON
EQUALIZATION IN FOUR STATES:
FLORIDA, NEW JERSEY, NEW YORK AND TEXAS

Lawrence Vescera
With the assistance of
Judy Collins, Thomasene Warledo and
Gwendolyn Mitchell
Education Finance Center
Education Commission of the States
Suite 300, 1860 Lincoln Street
Denver, Colorado 80295

Prepared under contract for the
States of New Jersey, New York and Texas

"PERMISSION TO REPRODUCE THIS
MATERIAL HAS BEEN GRANTED BY

Educ. Comm. of the States

Sally V. Allen

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC) AND
USERS OF THE ERIC SYSTEM "

February 1978

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRO-
DUCED EXACTLY AS RECEIVED FROM
THE PERSON OR ORGANIZATION ORIGIN-
ATING IT. POINTS OF VIEW OR OPINIONS
STATED DO NOT NECESSARILY REPRESENT
OFFICIAL NATIONAL INSTITUTE OF
EDUCATION POSITION OR POLICY

UD018401

JUN 1 1978

TABLE OF CONTENTS

Foreword	ii
Executive Summary	1
Introduction	5
Compensatory Education Aid and Equalization	6
The Policy Research Questions	7
I. A History of Title I	9
Legislative History of Compensatory Education	10
Title I Expenditure Flow	11
Preview of Previous Research on Title I Finance	14
II. A History of State Compensatory Education Programs	17
Compensatory Education in Florida, New Jersey, New York and Texas	23
Florida	25
New Jersey	26
New York	27
Texas	27
State General Aid Programs	28
III. Methodology and Results	30
Characteristics of Districts Receiving Title I Aid	30
Characteristics of Districts Receiving State Compensatory Aid	37
Characteristics of Districts Receiving State General Aid	43
Complimentarity of Aid Flows	49
Title I and State Compensatory Education: Effects on Equalization	50
Title I Expenditure Categories as a Function of Wealth	58
IV. Conclusions	61
Bibliography	63
Appendix	67

FOREWORD

This report is the result of a request by four states for the ECS Education Finance Center to analyze the effect of the distribution of federal compensatory education funds under Title I of the Elementary and Secondary Education Act and state programs of compensatory education on school finance equalization. The work was conducted under contract for New Jersey, New York and Texas; Florida conducted the analysis for that state. In all tables and charts, the results are based on official state department of education data for nearly all school districts in the state; a few districts in each state were eliminated from the analysis due to data problems.

The Center thanks Dr. Susan Fuhrman, Teachers College, Columbia University for her helpful comments on and editing of the manuscript.

EXECUTIVE SUMMARY

Since the mid 1960's the federal government through Title I of ESEA and state governments through various programs have channeled large amounts of money into compensatory education programs. By 1976 the federal and state contribution to compensatory education exceeded \$2.5 billion. Nineteen states now have their own state financed compensatory education programs. With this rapid expansion of both Title I and state compensatory education programs have come a number of questions about the effects of Title I and state compensatory education on school finance.

The following study examines a number of questions surrounding the distribution of Title I aid and state compensatory education aid. The extent to which the two types of aid are complimentary and their effect on the equalizing thrust of the state general aid are also examined. The major findings for the four states studied are briefly discussed below.

Title I aid, state compensatory education aid and state general aid did not all flow in the same manner to all school districts. Districts with different types of characteristics received these types of aid in varying proportions. A number of school district characteristics were found to be associated with each type of aid.

As Title I aid increased in a school district, the average Title I expenditure per pupil increased and the number of Title I eligible student served also increased. High Title I aid districts tended to have higher percentages of minority students but this was not true in all cases. School districts in central cities tended to receive high levels of Title I aid. They also served greater percentages of their students with Title I funds. Rural areas received the smallest dollar amounts per pupil from Title I funds and served smaller

percentages of their students in most cases. Districts that received higher levels of Title I aid per pupil also tended to receive higher levels of state compensatory education aid. In no state was the relationship between Title I aid and state general aid particularly strong. While Title I districts did tend to receive higher levels of state general aid on the average, the amount of state general aid did not increase dramatically with increasing percentages of Title I students.

Districts receiving the greatest Title I disbursements had the lowest median family income. Title I aid also went to districts with low property value. However, the actual relationship between Title I aid per pupil and district property wealth was so weak as to be very unimportant. The same finding applied to Title I aid and tax rate. They appeared to be almost unrelated.

Districts that received high levels of state general aid tended to differ from high Title I aid districts in a number of characteristics. State general aid was strongly related to property wealth unlike Title I aid. Tax rate also had almost no relation to state general aid. High tax effort districts received about as much per pupil in state general aid as did low tax effort districts. Median family income decreased with increasing state general aid. In some states, Title I aid was not as strongly negatively associated with median family income as was state general aid.

State compensatory education and Title I aid did tend to flow in large part to the same school districts. Title I flowed most strongly to low income districts while state compensatory education aid flowed more heavily to low property wealth districts. However, low property wealth districts and low family income districts tended to be the same districts.

The most significant finding of this study relates to the effect of Title I aid and state compensatory education aid on the equalizing thrust of state general aid. Equalization was examined from the stand point of per pupil expenditures and dollars per pupil per mill. Both Title I and state compensatory education were found to reduce the amount of statewide per pupil expenditure inequality and taxpayer inequality. Title I was found to have a slightly greater effect than state compensatory education in both instances. On these measures of equity, Title I seemed to be working in concert with gains made by recent educational reforms.

INTRODUCTION

In April 1965, Congress passed the Elementary Secondary Education Act (ESEA). The first provision of the bill was Title I: "financial assistance to local educational agencies for the education of children of low-income families." Title I is the largest component of federal financial support for elementary/secondary education. Under this act more than \$2 billion was distributed in the 1975-76 fiscal year to school districts in the United States and its territories. Title I represented 31 percent of total federal education expenditures in 1975-76. Over 90 percent of the nation's local education agencies (LEAs) received funds from Title I. Within the LEAs, over 90 percent of all schools classified as eligible actually received funds. Title I dollars have accounted for as much as eight percent of the total national elementary/secondary education expenditure from all sources in one year.

Over the years a number of concerns have been raised about Title I funding. One criticism relates to insufficient funding by Congress. The original legislation called for the provision of 40 percent of the state average per pupil expenditure for each formula eligible student. This goal is not being met. In 1975-76 the Title I appropriation equalled about 16 percent of state average per pupil expenditures. Congress ratably reduces the authorized amount to match the appropriation, thereby making fewer dollars available.

Another problem is concentration cutoff. Districts tend to serve all schools that have above average concentrations of disadvantaged students enrolled. District concentrations of disadvantaged students vary widely. It is possible that in a district with a 50 percent overall concentration a school that contains 40 percent disadvantaged students will not be served, while in a district with a 5 percent concentration a school with 10 percent

disadvantaged students will receive services. Additionally Title I does not encourage states to fund their own compensatory education programs. The federal government currently discourages states from providing compensatory education funds to students not receiving Title I services until all Title I-served students also receive state compensatory education funds. Therefore, in some cases, Title I served students receive double funding while other Title I eligible but unserved students receive no compensatory education aid. This practice was recently litigated in California (i.e., Alexander v. Califano, 1977). The court upheld the Department of Health, Education and Welfare (HEW) position, and the double service continues.

Compensatory Education Aid and Equalization

A major issue concerns the interaction between Title I, state compensatory education aid and state general aid. If these types of aid flow to different types of districts, they could be acting so as to cancel each other out. When Title I first became effective in 1965 the primary concern of Congress was to insure that economically and educationally disadvantaged children receive greater education expenditures than they had previously received. Title I was to be distributed inversely on the basis of individual family income.

Since the inception of Title I enormous changes have occurred in education finance. For example, 25 states have adopted finance methods for their schools which help equalize wealth disparities between property-rich and property-poor school districts. Since 1965 many states have also introduced state compensatory education programs. Utilizing similar methods and having similar goals, these programs operate largely as adjuncts to Title I.

Title I and state compensatory education programs may be creating problems for state equalization aid, the goal of which is to equalize the distribution

of state aid on the basis of a district's ability to support its own school system, i.e., school district wealth.¹ Title I distribution and state compensatory aid is based on family income and is not necessarily related to local property wealth.

Title I has never been modified to account for the new equalization programs operating in most states. A fundamental question is whether Title I and state compensatory education programs operate to enhance or diminish the equalizing thrust of state equalization aid. This study was developed at the request of Florida, New Jersey, New York and Texas to address this issue among others.

The Policy Research Questions

The following questions provide the focus for this study's descriptive or policy research and should be borne in mind in order to understand more clearly the issues explored:

1. What are the characteristics of school districts that receive Title I funds? What kinds of districts are the primary beneficiaries of Title I aid? Is the aid flowing as the law intends?
2. What are the characteristics of school districts that receive state compensatory education funds? What kinds of districts are the primary beneficiaries of state compensatory education aid? Are they the same districts that benefit the most from Title I aid?
3. What are the characteristics of school districts that receive state equalization funds? What kinds of districts are the primary

¹Property wealth is the general measure of ability to pay. The exclusive use of this measure has recently come into question. Allan Odden (1976) has shown that there are other ways in which a community's ability to pay can be measured. Six states now use income measures in their school finance formulas.

beneficiaries of state equalization aid? Do such districts differ in character from the recipients of compensatory aid?

4. Are the flows of Title I aid, state compensatory aid and state general aid complimentary? Does aid from these programs flow primarily to the same districts or to different districts?
5. How is the equalization thrust of general state aid affected by the flow of Title I and state compensatory education funds? Does the compensatory aid have an anti-equalizing thrust which works at cross purposes with state equalization aid?
6. Do school districts with different wealth characteristics spend Title I funds for different services? Is wealth an influence in the use of Title I aid?

I. A HISTORY OF TITLE I

Compensatory Education: A Definition

The primary concern of compensatory education is to compensate for past inequities or environmental inadequacies that have led children to perform below average academically. The introductory statement to PL 89-10 (1965) reads:

In recognition of the special education needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate education programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including pre-school programs) which contribute particularly to meeting the special educational needs of educationally deprived children.

Congress clearly committed itself to increase funds available to children who come from poor families. The congressional intent, however, was not simply to raise the amount spent on poor children, but instead to raise the amount spent on them to a level that was greater than the amount spent for the wealthier children in the same district and thereby provide compensation to the disadvantaged.

When Congress learned that many school districts were using Title I funds to supplement programs that were unequally distributed among schools within the district, it implemented the present comparability requirements. Initially many school districts used their Title I funds to improve the educational programs of their poor children. But since the poor often had less spent for their education, the added Title I funds were not compensatory but only moved these students closer to spending parity with their wealthier peers.

As Wirt and Kirst point out in Political and Social Foundation of Education:

Title I might only be providing poor children with as much per pupil money as the wealthier children received -- but this did not follow the framers' intent of more total dollars per pupil for the neediest students. This feedback resulted in a specific demand for "Comparability." This required a federal law or regulation providing that the state and local funds for education be distributed equitably among all the students of a district before a district was eligible for Title I money (Wirt and Kirst, 1972, p. 164).

For the purpose of this study compensatory education funds are those funds provided for the educational needs of students who are falling below expected academic levels. These funds are in addition to the regular educational program financed with local and state general aid funds.

Legislative History of Compensatory Education

Federal appropriations to elementary and secondary education escalated enormously under ESEA and especially under Title I. They also changed in character: previous federal aid had financed research efforts and teacher training. ESEA provided direct federal support for education. Title I committed the government squarely to a policy of compensatory education.

ESEA provides funds to several areas of education, but most go to Title I. Title I provides both basic grants (Part A) and incentive grants (Part B) to LEAs for educational programs and facilities specifically designed to aid disadvantaged children. Basic grants provide funds for the operation of compensatory education programs in all states. These are basic programs which provide normal compensatory education services to students. Part A comprises over 98 percent of the total Title I budget. Part B incentive grants funnel small amounts to a specific number of innovative projects.

Private schools are also allowed to participate through dual enrollment and other special programs such as educational television.

Title I was amended in 1974 to provide for students who were handicapped, Indian, agricultural and fishing migrants, in institutions for the neglected and delinquent, and in public housing.

The 1974 amendments extended the life of Title I through June 1978. Congress also required the National Institute of Education (NIE) to study the effectiveness and focus of compensatory education programs. Their concern was the ability of funded programs to deliver Title I dollars to intended recipients.

In past Title I evaluations, very little attention has been directed toward examining the interaction of Title I funds with other funding sources, especially state finance structures. This issue has been totally overlooked by the mandated NIE study and is one of the primary objectives of this study.

Title I Expenditure Flow

In Figure 1, the flow chart outlines the dispersal procedures for Title I funds. The outline shows how Title I dollars flow from the federal government to the disadvantaged child. Entitlements are determined at the county level and district level on the basis of economic, i.e., poverty criteria. However, in the schools, Title I participants are chosen on the basis of poor academic performance.

Because the eligibility formula assumes a high correlation between poverty and poor academic performance, it has created continual controversy. U.S. Representative Albert Quie has proposed distributing Title I funds at the county and district level on the basis of academic performance rather than individual wealth measures. He has argued that the data on which the current

FIGURE 1

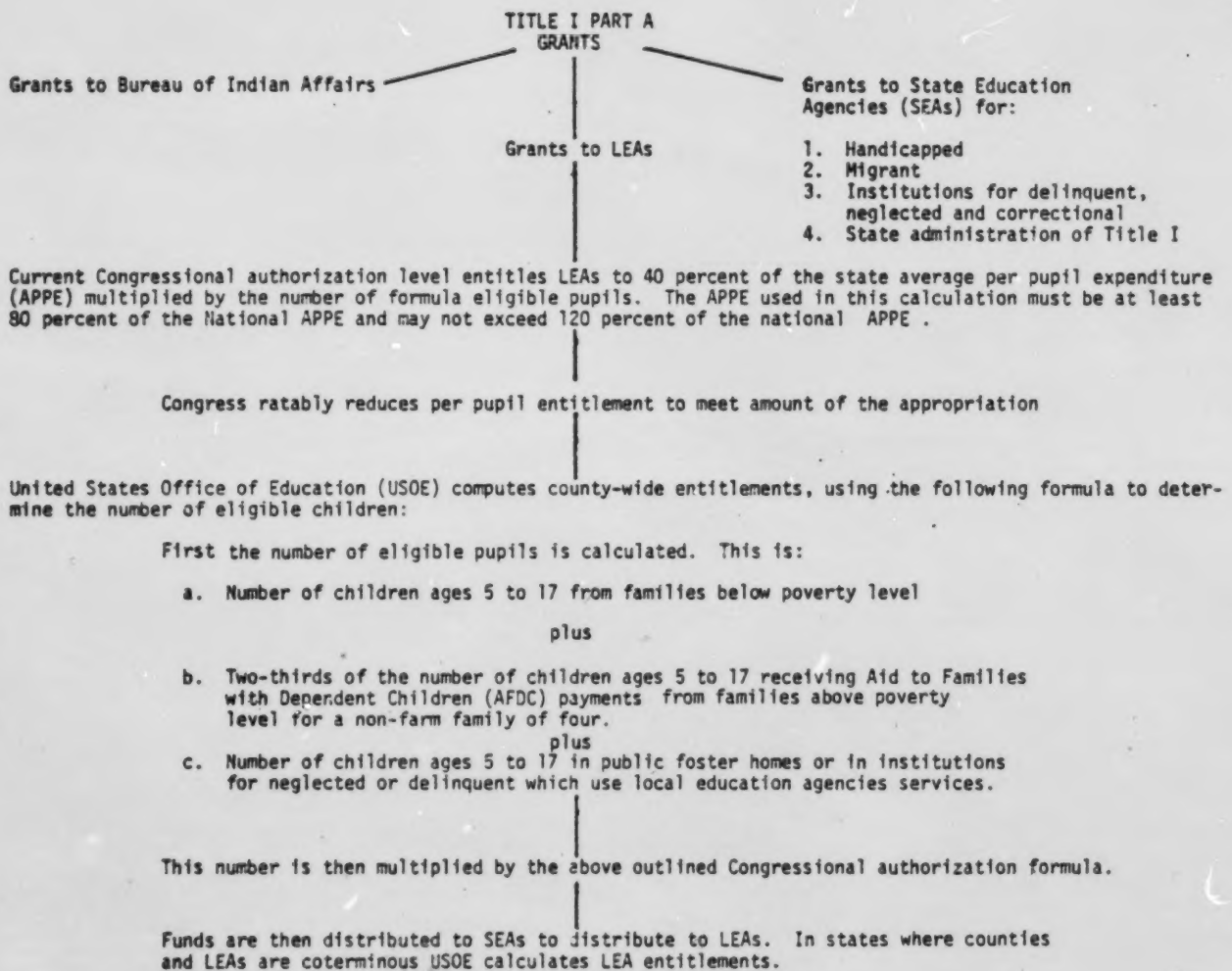


Figure 1, Continued

SEA calculates LEA entitlements and distributes funds according to rules established by the U. S. Commission of Education.

LEA selects eligible schools

Selection Criteria:

1. School must have high concentration of low-income children. The LEA may choose one or a variety of measures of poverty to determine the number of eligible children in the district or attendance area. Each attendance area with poverty as great as the district average is eligible. The district may rank schools or attendance areas by number of eligible students instead of percentage concentration
2. Schools which no longer meet eligibility criteria but did in either of the two preceding years continue to be eligible.
3. The LEA may at its discretion designate the entire district eligible if attendance areas do not differ widely in the proportion of eligible children in attendance.
4. The LEA may designate any attendance area with 30 percent or more of children from low-income families as eligible.

School selection

The LEA selects target schools to receive funds from a list of eligible schools.

Choice Criteria:

1. No-skip provision -- A school with a higher concentration of eligible students may be skipped for one with a lower concentration if the LEA can demonstrate greater need in the lower concentration school.
2. The schools Title I program must be of sufficient size, scope and quality to give a reasonable promise of meeting the educational needs of the eligible children.

School selects eligible students

Student eligibility is based on achievement criteria. Regulations stipulate, "Those children who have need for specific educational assistance in order that their level of educational attainment may be raised to that appropriate for their age." This leaves the districts a certain amount of flexibility in choosing target students. Many districts use standardized achievement test scores and set eligibility criteria as being one year below grade level.

Student Selection

Delivery of Services

distributional formula is based is out of date and that poor academic achievement should be treated as an educational problem rather than an economic one.

Review of Previous Research on Title I Finance

Title I was the first federal education legislation to include an evaluation component. The original law required that each local project contain a provision for objective measurement of student achievement.

Numerous Title I studies and evaluations have focused on student achievements. It is surprising, however, that aid flows have received relatively little research attention, considering the billions of dollars that have been spent on Title I.

Among the earliest of the Title I aid flow studies was Anderson (1968). He analyzed the distribution of dollars in 1965-66 in an attempt to determine whether dollars were going to schools in low-income areas. His sample included school districts in all 50 states, and he conducted a state-regional analysis in Indiana on 413 school districts.

Anderson found that the correlation coefficient between income per student and Title I allocations on the national sample was $-.64$. In Indiana he found a $-.11$ correlation between local property wealth per pupil and Title I allocations which indicates that in Indiana poor children are evenly distributed among districts ranked by property wealth. The regional sample, however, mirrored the national sample in indicating a fairly high correlation between low-income and Title I expenditures.

In 1968 Barkin and Hettrick conducted a similar study on an interstate sample. They examined equity within and among income classes and concluded that because of the small size of Title I grants the redistributive effects of Title I on resources among states was quite small.

As part of the National Education Finance Project, John Wagner (1970) studied the effect of Title I dollars on equalization funds in states with the county as the unit of analysis. Title I allocations of 1969 were studied as the base year. His findings indicate that in all nine states an inverse relationship existed between Title I allocations per child and adjusted assessed property valuation per child. However, all states except Ohio had correlations of 0.3 or less. Consequently, in most states less than nine percent of the Title I allocations was explained by property wealth.

Wagner also examined the relationship between Title I allocations per child and effective buying income per child, a measure of individual wealth as opposed to property wealth which is a district-wide measure. There was an inverse relationship between income wealth and Title I allocations per child in eight of the nine states examined. These relationships were stronger than the property-wealth-Title I relationships.

The most comprehensive Title I aid flow study is the Berke and Kirst book, Federal Aid to Education (1972). A major purpose of the study was the evaluation of the role of federal funds in the local-state education finance structure. The study, conducted over a four-year period from 1965 to 1968, examined data from 575 school districts in five urbanized states.

Berke and Kirst found that "decidedly higher levels of Title I funds go to school districts with (1) central city or rural location; (2) higher proportions of minority pupils; (3) lower income levels; (4) greater educational need as measured by average achievement test scores," (1972, p. 27). Given the nature of the Title I aid formulas, these results would be expected. Many studies yielded similar results, among these the Education Commission of the States' Analysis of the School Finance and Tax Structure of Missouri

(Odden and Vincent, 1976) and Donna Shalala, et. al., (1975) report on Equalizing Educational Opportunity in Connecticut.

In September of 1977, NIE published its analysis of Title I and state compensatory education programs, a study mandated by the 1974 education amendments. NIE was given \$15 million and almost four years to conduct the evaluation. The study has a number of major conclusions. Title I funds were flowing to their intended recipients. As the number of Title I eligible students increased so did the amount of the county-wide entitlement. Central cities and rural areas received the largest proportion of Title I funds, as Berke and Kirst had noted previously. Southern states received more aid on a proportional basis. Little relationship was found between school district property wealth and Title I aid, but income was found to be inversely related to Title I aid (NIE, 1977, p. v-viii).

II. A HISTORY OF STATE COMPENSATORY EDUCATION PROGRAMS

The earliest compensatory education programs originated in the states, not at the federal level. The 1963 McAteer Act in California was among the very first; it provided additional funds for students who were economically deprived, socially unintegrated or geographically isolated.

The goal of the California program was to provide sufficient minimal and intensive inputs to rectify the past inadequacies in the child's education (Advisory Committee on Comprehensive Education, 1965, pp. 5-8). The program was originally designed as a two-year pilot program but was later retained as a compensatory supplement to Title I.

The 23 original project school districts were entitled to receive reimbursement from the state for two-thirds of the program cost or \$24 per pupil, whichever was smaller. In the first year \$300,000 was appropriated for this program to provide smaller classes, remedial classes, enriching experiences, parental support, guidance counseling, staff organization and training, extra library facilities and other staff, community and home related activities (Advisory Committee on Compensatory Education, 1965, pp. 1-3).

Since 1961, Hawaii has had a compensatory education plan known as the Special Motivation Program. It provides funds to prevent dropouts and furnishes additional guidance counseling, tutors and instructional services (U.S. Department of HEW, 1976, pp. 23-26).

New York was also one of the early national leaders in compensatory education. In 1968 the Urban Education Program was initiated. It provided \$52 million in the first year. Title I-target schools in districts with more than 4,500 students in average daily attendance (ADA) were eligible. The district was required to file a plan with the state covering the services

to be purchased. Initially, districts were given wide leeway as to funding use. Community services and student activities were allowable services. In 1971 the focus was shifted to reading and math. New York City received approximately 90 percent of the program's total funds. The program was superseded in 1974 by the current Pupils with Special Educational Needs Program (PSEN).

Today 19 states have compensatory education programs. This does not include the bilingual education programs of 11 states. Table 1 indicates the state compensatory education programs which were in existence as of 1974-75. The table shows the state commitment in both LEAs and students served as well as in dollars.

Later in the discussion, the compensatory education programs of the four states participating in the study are covered in detail. The programs of the other 15 states require only brief comment.

California has the most extensive and greatest variety of compensatory education programs. The largest and most expensive of these is the Educationally Disadvantaged Youth (EDY) Program. It is very similar in intent to Title I. Both programs are aimed at providing more dollars for disadvantaged students. Title I eligibility is based on family income while EDY program is based on the following three measures of student characteristics:

1. Index of potential impact of bilingual-bicultural students.
2. Index of family poverty.
3. Index of pupil transiency.

Title I funds and local funds are not to be supplanted by EDY funds. Although EDY places greater emphasis on educational measures of need than Title I, its goals and managerial structure are very similar to those of Title I.

TABLE 1
DATA FOR STATE COMPENSATORY EDUCATION PROGRAMS

State	Number Of Participating LEAs	Number of Children Served	1973-74 Appropriation	1974-75 Appropriation	Total State Title I ESEA Allocation
California					\$140,274,995
EDY Program			\$81,180,000	\$81,300,000	
Miller-Unruh			18,303,750	15,692,625	
Secondary Demonstration	268 (66 aides)		12,985,352	3,045,000	
Teacher Education			750,000	142,000	
Child Development			23,678,500	19,400,000	
Early Childhood			12,500,000	40,000,000	
State Preschool			23,314,000	19,805,000	
Teacher Employment			6,500,000	0	
Project SEED			355,000	0	
Connecticut	163	37,000 (Est.)	7,000,000	7,000,000	17,271,134
Colorado ^{1/}	69	8,363	0	0	14,581,384
Delaware ^{1/}	7	1,400	0	0	3,721,680
Florida ^{1/}	67	239,999	0	0	40,974,842
Georgia ^{2/}	188		0	0	44,699,611
Hawaii					4,751,550
CSAP	7	3,914	^{3/} 2,274,590	2,274,590	
Act 4	^{4/} 15	2,651	341,750	341,750	
Maryland					27,043,173
Density Aid	1	182,000	9,100,000	13,490,000	
Section 106 ^{2/}	23	28,000 (Est.)	0	0	
Massachusetts	40	10,000 (Est.)	2,500,000	4,000,000	32,964,735
Michigan					73,845,674
Section 48	19	1,000 (Est.)	500,000	750,000	
Section 3	67	112,500	22,500,000	22,500,000	
New York					247,563,367
Urban Ed. ^{5/}	60	529,853	47,000,000	0	
Chapter 241	754	600,000 (Est.)	0	146,000,000 (Est.)	
Ohio	384	1,492,744	33,337,400	53,000,000 (Est.)	54,911,401
Oregon	1	6,460	1,000,000	1,000,000	13,205,109
Pennsylvania	17	--	1,000,000	1,000,000	80,935,205
Rhode Island	40	14,450 (Est.)	2,000,000	2,000,000	5,891,099
Utah	40		600,000	600,000	5,634,606
Virginia ^{2/}	140	17,210	0	5,163,000	35,677,248
Washington					20,472,510
Urban, Rural, and Racial Dis-					
advantaged Educational Program	39	46,000 (Est.)	4,461,021	4,786,779	
Culturally Disadvantaged Program	218	--	3,630,535	3,743,401	
Wisconsin	^{4/} 15	2,700 (Est.)	600,000	3,100,000	24,029,151

^{1/}Expired Programs: LEA and Children statistics are for last year of operation

^{2/}Anticipated Programs

^{3/}Includes \$1,089,030 in State Funds, \$1,052,635 in Federal funds.

^{4/}Number of projects includes those from LEAs and other agencies.

^{5/}Expired June 30, 1974

Source: State Compensatory Education Programs, DHEW Publication No. (OE) 75-07107, 1975, pp. 5-7.

The Early Childhood Education Act (ECE) is another large-scale compensatory education program in California. ECE, however, is not a categorical aid program in the strict sense. ECE funds may be used in grades K-3 to enrich the general educational environment. Participating schools must have individualized programs for each child's development.

ECE would not appear to be a compensatory program since grants are issued to individual schools on a competitive basis. However, Section 6445.7 of the state education code required recipient districts to allocate at least 50 percent of their ECE funds to schools with large numbers of educationally disadvantaged children. ECE, like EDY and Title I, does not permit supplanting local funds with ECE funds.

In 1965, Michigan was one of the first states to install a compensatory education program. The present program, Chapter 3, instituted in 1971 and originally funded at \$22.5 million, was based on the results of the state's annual assessment program and was intended to channel added funds to educationally disadvantaged children. The participating districts committed themselves to raising the average annual academic growth of participating students one year for each year of participation in the program.

The original law contained a penalty clause for those districts that did not sufficiently raise student performance. The legislature, however, never enforced this provision, and it was later removed from the law.² Chapter 3 entitlements are made to the LEA which selects participants on the basis of extraordinary need in basic cognitive skills. A district is eligible

²Murphy and Cohen (1974, pp. 53-81) describe the storm of political problems raised by this type of accountability approach, and the reasons for its failure.

if at least 15 percent of its current K-6 enrollment needs improvement in cognitive skills as determined by a standardized achievement test. Chapter 3 also prohibits supplanting and contains a comparability requirement similar to that of Title I. The primary difference between Chapter 3 and Title I is that low wealth is not a factor in LEA eligibility.

Maryland had an interesting approach to compensatory education. The state legislature passed a density act effective in 1974 that granted \$75 per pupil to any county with a population in excess of 8,000 persons per square mile. Baltimore was the only one to qualify, and the bill was specifically designed to aid this urban area. The money provided compensatory education programs to students with special education needs who came from educationally or economically deprived environments. There were no other requirements and no evaluation of the program was demanded. In the 1974-75 school year this program's subvention to Baltimore city schools reached \$13.5 million.

Washington has one of the more complex state compensatory education programs. Its Urban, Rural, Racial and Disadvantaged Program (URRD) is a competitive grant program that distributed almost \$5 million in 1975-76 to provide educational services for the poor, disadvantaged and minority populations in order to raise their academic achievement to an appropriate level.

The program has five components: re-entry motivation (dropouts), preschool education, academic achievement, bilingual-bicultural education and Indian education. Since the program designers wanted to serve those compensatory education requirements not met by Title I, URRD required that 50 percent of the students served should be achieving below grade level as measured by standardized tests. All public and private schools, except those prohibited by law from receiving public funds, are eligible to receive these funds.

Since 1965 Washington also has had a Culturally Disadvantaged Program providing almost \$4 million in 1974-75 to local school districts. These monies provide services to meet the needs of disadvantaged children exclusively. A district allocation is based on a weighting factor multiplied by the number of pupils eligible for free and reduced price lunches.

In 1967 Ohio initiated a compensatory education program called the Disadvantaged Pupil Program Fund that parallels Title I very closely. Eligibility is based on the number of children from AFDC families in attendance within the LEA's attendance area. This state-funded compensatory education program may only be operated in Title I schools and any child attending a designated school is eligible for aid. However, the state department of education guidelines require those children with the greatest academic, emotional or health needs be served first. By the 1974-75 school year this program served 1,492,744 children at an estimated cost of \$53 million while Ohio's Title I receipt for the same year amounted to \$34.9 million. Ohio had the second highest state compensatory education effort in the nation in 1974-75, if effort is viewed as a percentage of Title I aid. California's many different programs together also exceeded the state's Title I grant.

The states just described all have flat grant categorical aid approaches to compensatory education. A number of states use an alternative approach; a pupil weighting formula as part of the state general aid formula. Five states, Illinois, Indiana, Minnesota, Missouri and Nebraska, use pupil weightings to channel added funds to districts for compensatory education services.

State compensatory education programs have experienced continued problems concerning conflicts between federal and state administrative regulations. The most severe problem probably concerns the supplanting provision of Title I.

Section 141 (a) (3) (B) has been interpreted by the U.S. Office of Education as prohibiting states from considering the presence of Title I funds in the distribution of state compensatory education funds. This procedure was recently upheld by the U.S. District Court for northern California in the Alexander v. Califano (1977) case. This interpretation requires that students served by Title I must also be served with state compensatory education funds before other students can be served, even though the other students may be Title I eligible students who are unserved.

Every year the number of state-run compensatory education programs increases in spite of the supplanting problem. Like Title I, the goal of these programs is to channel more education dollars to poor children performing below grade level. The state-financed compensatory education programs now total billions of dollars in annual expenditures. They are largely similar to Title I in goals and methods. State programs vary primarily in the choice of allocation criteria; some states use wealth measures while others use performance measures. Another major difference is whether the qualifications for funds should be based on competition among LEAs for formula-based programs.

Compensatory Education in Florida, New Jersey, New York and Texas

The four states examined in this analysis each have extensive compensatory education programs. The programs of Florida, New Jersey, New York and Texas will be described and compared to Title I which is presented first to form a basis for comparison. For each program, the following aspects will be specified: (a) intended beneficences -- the type of student for whom the funds are targeted; (b) supplement vs. supplant provisions; and (c)

program control -- evaluation, student concentration, objectives and needs assessment.³

The intended beneficiaries of Title I are children residing in low-income areas who are performing below grade level academically. Title I clearly prohibits the supplanting of local and state dollars with federal dollars. In order to insure that Title I funds are used as a supplement to an already fairly equal distribution of funds, Title I includes a maintenance of effort provision, comparability requirements, an equitability provision, and an excess cost provision. Title I also requires each LEA to provide written needs assessments, program plans and objectives and student concentration cutoffs. These terms are defined as follows:

Eligible students -- Those residing in a Title I eligible area who are performing poorly academically.

Supplanting -- Title I prohibits districts and states from using Title I funds to replace their own local or state funds, since Title I funds may only be used to supplement existing educational programs.

Maintenance of effort -- Children receiving Title I funds must receive the same service they would have received if Title I funds were not present. This provision is primarily designed to prevent local education agencies from shifting the burden of normal education costs to the federal government.

Comparability requirement -- This provision concerns intra-district equality. Both Title I and non-Title I schools must receive roughly the same level of service before Title I funds are considered.

Equitability provision -- State and local funds, such as state compensatory education funds, must be provided on the basis of objective criteria without regard to the availability of Title I funds. This would prevent a state from giving more dollars from other sources to non-Title I districts.

³The legal Standards Project (1977) identified these same areas as being of prime concern for comparison purposes of Title I and state compensatory education programs.

Excess cost -- Title I funds must only be used to purchase inputs that exceed the average per pupil cost of the districts' regular educational programs.

Florida

In 1973 Florida started a compensatory education program to supplement Title I funding because that year Florida had about \$2 million of Title I funds impounded. The purpose of the program was to allow school districts to receive the amount of compensatory education dollars they had originally planned to receive from Title I.

Each LEA that was receiving Title I funds received 1.05 multiplied by the average base student cost for the state for each attending Title I student. The program exactly paralleled Title I. The above amount was later ratably reduced because of insufficient appropriations and no funds were provided for the program after 1973.

In 1977 Florida introduced a new compensatory education program called the Florida Compensatory Education Act. Beginning in the 1977-78 school year, the program is intended to meet the needs of students achieving below grade level. District entitlements are based on the number of students performing below the 25th percentile on a standardized achievement test. Because the legislature has appropriated \$10 million for this program, entitlements will be based on the proportion of a district's total student performance below the 25th percentile as compared to the total in the state. The analysis of Florida's program in this report examines the 1977 act.

Intended recipients -- Students performing below grade level are eligible to receive services, even though entitlements are based on those scoring below the 25th percentile. The district may employ any test instrument it wishes.

Supplanting -- Supplanting is prohibited: districts must maintain effort to compensatory education students. Comparability is not required.

Program control -- These requirements are the same as for Title I. A needs assessment, objectives and evaluation are required.

New Jersey

The state of New Jersey anticipates spending \$36 million in the first year of its compensatory education program and serving over 400,000 students. The New Jersey program is designed to provide remedial and preventive services to students performing below grade level in communications and math skills. The program's first year of operation was 1976-77.⁴ In 1976-77 the allocation formula was tied directly to Title I eligibility. The districts received .11 times net average per pupil cost times the number of Title I eligible students in the district. This amounted to about \$156 per Title I student in 1976. The school district could then use these funds to serve any student with educational need. Educational need was defined by the district. This formula was changed in the 1977-78 school year. The formula now grants .11 times the net average state per pupil cost times the number of students in remedial and preventative programs.

Intended beneficiary -- Any student regardless of personal or district wealth is eligible who is deficient academically.

Supplanting -- Local districts may not use these funds to replace their own funds. Funds are distributed on an objective basis. Districts must maintain their current effort and state compensatory education funds may only be used to provide services beyond the regular programs.

Program requirements -- After each student's special learning needs are identified the school provides a comprehensive plan to meet these needs. Needs and evaluation procedures are also required of each LEA.

Since programmatically Title I and New Jersey's compensatory education program are almost identical, it appears that the only difference between them is Title I's requirement that only economically deprived areas are eligible.

⁴The analysis of New Jersey's program uses 1975-76 data. This may create some very slight inaccuracy in the calculations presented.

New York

New York provides one of the highest levels of support in the nation for compensatory education. Originally called Chapter 241 (Urban Education) its compensatory program is now called Pupils With Special Education Needs or PSEN. The initial annual funding level was \$146 million.

Intended recipients -- LEA entitlements are based on achievement test scores. A composite test score is developed from a standardized reading and math test given in the 6th grade. Each pupil that scores below the statewide 4th stanine or 23rd percentile is counted as eligible by LEA.

Each student in the district who scores below the 4th stanine is given an extra weight of 0.25 in the calculation of state general aid.

Supplanting -- The district is required to provide an enriched educational program for those children identified as having special educational needs. State regulations do not specifically prohibit supplanting nor do they require comparability, but supplanting is prevented by the structure of the program. Local districts can not reduce effort to PSEN students.

Program control -- A needs assessment, written objectives for each student, and individual evaluation are all required.

PSEN differs from Title I primarily in terms of student eligibility; participation in PSEN is dependent on education need rather than economic criteria. Also, the PSEN grant is influenced by district wealth because it is tied to the state's equalization formula.

Texas

The Texas Compensatory Education Program began in the 1975-76 school year with an annual appropriation of \$25.4 million. Under the Texas finance formula each district is entitled to receive \$40 for each Title I eligible student whether or not the district receives Title I funds. The amount received by all applicants is ratably reduced so that the state does not expend more than the \$25.4 million allocated.

The state does not tightly restrict the use of compensatory education funds, though they may not be used for construction or administrative costs. Each district may spend the dollars for any excess program costs on educationally disadvantaged children.

Intended beneficiaries -- Any Title I eligible student is eligible for the Texas program regardless of residence.

Supplanting -- State Department of Education guide regulations prohibit supplanting of local funds with state compensatory education funds.

Program control -- A needs assessment, program objectives and an appropriate evaluation instrument are required.

No concentration cut-off is in effect.

Originally designed as an adjunct to Title I, the Texas program is very similar to it. Since Title I did not serve all eligible students, the state added its program to provide services to students still needing compensatory education.

From the foregoing discussion one readily sees that all four state compensatory education programs are similar to Title I and that the programmatic configurations are almost identical. The major difference is that the state programs are not restricted solely by economic criteria. Since states do not so narrowly define eligibility, the possibility exists that state and federal compensatory education aid may flow to different students in some cases.

State General Aid Programs

State equalization aid programs are necessary because school districts do not have equal fiscal capacities. Differences in fiscal capacity arise because the amount of property wealth contained in school districts differ. School districts with higher property wealth per student do not have to tax themselves as heavily as lower property wealth school districts in order to raise the same amount of revenue per student. This uneven distribution

of fiscal capacity has two results; per pupil expenditures differ among districts and tax yields per unit of effort differ among districts. Districts with different property wealth bases produce different amounts of revenue at the same tax rates. Therefore property poor districts must either vote for higher tax rates to match the spending of wealthier districts or else expend less for their children's education.

The issue of fiscal equity has recently been brought into wide public attention by court cases such as Serrano v. Priest (1971) and legislative action. A number of states, such as New Jersey, California and Missouri, are trying to reduce the inequities in their school finance formulas. Up to this point, the distribution of state general aid has been the target of equalization efforts. The effect of categorical aids have not usually been considered in equity questions.

If states funded categorical aids at 100 percent of need, the distribution of these aids would take on less importance. However, because all needs are not met, the question of district wealth and need become important. Lower wealth districts will have greater difficulty in filling the void left by state categorical programs which do not meet all needs. Therefore, the distribution of categorical aids becomes wealth related.

Categorical aids present a problem for equalization efforts. They are distributed on a per pupil grant basis. Consequently districts with equal need should receive equal aid regardless of local wealth. If the distribution of categorical aids is not inversely related to wealth or at least neutral with respect to wealth, the addition of state compensatory education and Title I dollars would reduce the equalization gains flowing from general aid. Total state aid dollars would be less equalizing once categorical aids were added to general aid. Given recent increases in the amount of funds distributed

through categorical formulas, it becomes imperative that the effect of categorical aid is understood.

III. METHODOLOGY AND RESULTS

The analysis of Title I and state compensatory education and general aid programs in the four states was intended to answer the questions specified in the introduction. The analysis was conducted so as to specify the characteristics of high aid districts; to determine whether all three kinds of aid reached the same kinds of districts and were therefore complimentary; and to discover whether the federal and state categorical programs affected the equalizing flow of total state aid.

All students and LEAs in the four public school systems were included in the sample. In 1975, these four states had a total public school enrollment of 9,350,263.⁵ The national total average daily membership was 44,881,771. Therefore, these four states contained 20.8 percent of the total national pupil membership (National Educational Association, 1976, p. 16).

Characteristics of Districts Receiving Title I Aid

Almost all districts receive from Title I aid. This is also true for state general aid and in certain cases for state compensatory education aid. Consequently when discussion is focused on characteristics of districts receiving aid, what is meant is the characteristics of high aid as opposed to low aid districts. Because all or almost all districts receive these forms of aid, a relative comparison must be made.

Table 2 deals with the distribution of Title I aid. The table indicates the relationship between the distribution of Title I aid and characteristics of pupils in the districts receiving aid. All four states are analyzed

⁵Florida 1,694,849 students enrolled, New Jersey 1,454,000, New York 3,401,214 and Texas 2,800,200.

TABLE 2

AVERAGES FOR SELECTED PUPIL CHARACTERISTICS BY
RANGES OF ESEA TITLE I AID PER PUPIL, 1975-76

ESEA Title I Aid Per Pupil	Percent Title I Eligible Pupils	Percent Pupils Served by Title I	Percent State Compensatory Education Pupils Served	Percent Minority Pupils	Total Pupils as a Percent of State Total
<u>FLORIDA</u>					
Over \$100 (0 Districts)	0.0	0.0	0.0	0.0	0.0
\$75 - \$100 (1 District)	48.2	19.8	53.9	55.2	0.2
\$50 - \$74 (15 Districts)	29.3	15.2	29.0	32.7	11.1
\$25 - \$49 (32 Districts)	18.8	8.4	27.8	35.7	48.7
\$1 - \$24 (16 Districts)	15.2	7.6	23.3	22.2	37.5
Under \$1 (3 Districts)	21.8	8.1	23.8	20.5	2.5
Statewide Average	18.8	8.6	26.2	30.0	1.5
<u>NEW JERSEY</u>					
Over \$100 (14 Districts)	46.3	19.5	15.1	40.0	8.1
\$75 - \$100 (12 Districts)	53.1	11.6	10.6	48.7	7.4
\$50 - \$74 (37 Districts)	41.8	9.0	8.5	31.3	5.7
\$25 - \$49 (110 Districts)	43.4	5.9	5.2	16.4	14.7
\$1 - \$24 (333 Districts)	33.3	2.2	1.9	5.5	65.6
Under \$1 (12 Districts)	0.0	0.0	0.6	4.9	0.0
Statewide Average	35.9	3.7	3.4	11.5	100.0
<u>NEW YORK</u>					
Over \$100 (14 Districts)	26.4	23.2	37.9	40.6	37.6
\$75 - \$99 (11 Districts)	28.1	19.9	38.8	11.7	1.8
\$50 - \$74 (40 Districts)	25.9	12.7	30.6	13.9	4.5
\$25 - \$49 (208 Districts)	18.3	9.6	26.8	4.6	13.9
\$1 - \$24 (337 Districts)	9.1	4.6	18.4	2.8	37.3
Under \$1 (71 Districts)	9.5	7.8	15.9	4.4	4.9
Statewide Average	13.6	7.5	22.2	5.1	100.0
<u>TEXAS</u>					
Over \$100 (103 Districts)	65.9	49.0	31.5	60.7	8.1
\$75 - \$100 (118 Districts)	49.9	38.1	26.6	45.4	5.6
\$50 - \$74 (205 Districts)	38.4	28.5	19.4	37.3	26.7
\$25 - \$49 (244 Districts)	24.1	18.3	13.0	25.6	28.7
\$1 - \$24 (131 Districts)	11.6	8.3	5.9	12.0	23.4
Under \$1 (275 Districts)	23.7	16.7	13.4	17.8	7.4
Statewide Average	32.0	23.7	16.7	29.7	100.0

separately. As the table indicates very few of the relationships increased in a linear fashion. Most go from high to low values or low to high but there is much nonlinear movement in each.

The first thing that is apparent about Title I districts is that as Title I allocations per pupil increased, so did the percentage of Title I students eligible, students below the poverty line, and the percentage of Title I students served. This was also found to be the case by NIE in its recent study of Title I aid flows (1977, p. vi). Districts with high Title I expenditures per pupil not only served more students they also spent more on each student served. Curiously in Florida, New York and Texas, districts receiving less than \$1 in Title I aid per pupil had both a greater percentage of students eligible for Title I and a greater percentage of students served than those districts receiving \$1 - \$24 per student. The explanation for this phenomena is not yet apparent, but it does seem to warrant further investigation.

Districts with greater percentages of minority students seemed to get more Title I aid. In three of the four states this is quite marked. The correlation coefficient between Title I aid and percent minority was 0.14 in Florida, 0.47 in New Jersey, 0.45 in New York and 0.55 in Texas.

Finally, Table 2 enables the researcher to compare Title I disbursements in the four states. New Jersey had by far the greatest percentage of Title I eligible pupils; it also had the fewest served. In all states, there was a significant disparity between the number of pupils eligible and the number served.

Table 3 shows the relationship between Title I disbursements and district school finance variables for each state. In all the states examined, districts with lower income got greater amounts of Title I aid. This is as would be

TABLE 3

AVERAGES FOR SELECTED SCHOOL FINANCE VARIABLES BY
RANGES OF ESEA TITLE I AID PER PUPIL, 1975-76

ESEA Title I Aid Per Pupil	Median Family Income ^a	Average Assessed Property Valuation Per Pupil	Local School Tax Rate ^b	State Compensatory Education Aid Per Pupil	State Equalization Aid Per Pupil
<u>FLORIDA</u>					
Over \$100 (0 Districts)	--	--	--	--	--
\$75 - \$100 (1 District)	\$3,219	\$ 3,379	5.20	\$13.13	\$ 700
\$50 - \$74 (15 Districts)	4,037	47,916	5.69	6.88	645
\$25 - \$49 (32 Districts)	4,422	65,310	6.39	6.50	596
\$1 - \$24 (16 Districts)	4,903	80,503	6.27	5.50	558
Under \$1 (3 Districts)	3,456	81,463	6.07	5.61	492
Statewide Average	\$4,389	\$69,390	6.17	\$ 6.16	\$ 585
<u>NEW JERSEY</u>					
Over \$100 (14 Districts)	\$ 7,728	\$202,581	1.42	\$96.49	\$ 508
\$75 - \$100 (12 Districts)	8,980	74,705	1.69	58.25	498
\$50 - \$74 (37 Districts)	9,716	77,861	1.78	39.02	463
\$25 - \$49 (110 Districts)	10,548	81,128	1.87	22.32	310
\$1 - \$24 (333 Districts)	13,324	102,121	2.00	8.06	169
Under \$1 (12 Districts)	18,426	210,688	1.48	1.16	214
Statewide Average	\$12,325	\$101,160	1.95	\$16.28	\$ 226
<u>NEW YORK</u>					
Over \$100 (14 Districts)	\$10,199	\$133,135	21.1	\$37	\$ 726
\$75 - \$99 (11 Districts)	9,453	73,627	17.0	48	835
\$50 - \$74 (40 Districts)	8,900	60,275	17.7	47	1,003
\$25 - \$49 (208 Districts)	9,260	49,928	17.4	46	1,074
\$1 - \$24 (337 Districts)	11,670	61,107	19.2	37	925
Under \$1 (71 Districts)	10,963	149,842	16.4	33	890
Statewide Average	\$10,631	\$ 68,578	18.3	\$40	\$ 968
<u>TEXAS</u>					
Over \$100 (103 Districts)	\$4,926	\$177,050	1.33	\$24.59	\$673
\$75 - \$100 (118 Districts)	5,686	186,156	1.29	18.14	672
\$50 - \$74 (205 Districts)	6,234	170,051	1.32	13.83	669
\$25 - \$49 (244 Districts)	7,333	134,902	1.27	8.63	663
\$1 - \$24 (131 Districts)	9,065	140,846	1.24	3.98	603
Under \$1 (275 Districts)	8,267	553,733	1.33	6.67	574
Statewide Average	\$7,064	\$259,021	1.30	\$11.13	\$636

^aFor Florida, the variable is personal income per capita.

^bThe local school tax rate was mills in Florida, New York and Texas and dollars per \$100 of assessed valuation in New Jersey.

expected given the Title I distribution formula. In Florida, New York and Texas, however, the Title I districts spending less than \$1 per student had lower incomes than those spending between \$1 - \$24 per student. Only in New Jersey does income decline steadily with Title I aid. The strength of the relationship between income and Title I aid varied considerable among the states. In Florida Title I aid and income are not dramatically related (the correlation between the two is -0.25). In Texas the relationship was much stronger (a correlation of -0.62). Given the intended Title I formula it is difficult to understand how this relationship could be weak.

In all the states except New York, state general or equalization aid appeared to increase with increasing Title I aid. When the relationship between state general aid and Title I aid per pupil was examined using correlation analysis, it was found that in all four states, districts which receive greater amounts of Title I aid also received greater amounts of general aid.⁶ The relationship between Title I aid and state compensatory education aid is one of the primary concerns of this study. As Table 3 indicates, as Title I aid increased, state compensatory aid also increased. In New Jersey and Texas these relationships appeared to be extremely strong.⁷ Since both Title I and state compensatory education aid were aimed at the same target populations in these states, this finding is expected. In New York, however, the correlation coefficient between Title I and state compensatory aid was only 0.11. This relationship is much weaker than for any of the other states and indicates that in New York Title I aid and state compensatory aid were going to different students. The explanation lies in the fact that New York's compensatory

⁶See Appendix, Tables A-1 through A-4 for correlation coefficients.

⁷See Appendix, Tables A-1 through A-4 for correlation coefficients.

education program bases its allocation on achievement test scores not on income. The low correlation coefficient may also indicate that in New York achievement and family income were not highly related.

As Table 3 indicates, Title I aid was greater in districts with lower income. However, the relationship was not as strong as one might expect. In two states, Florida and New York, the correlations between Title I aid and family income were quite low (-0.25 and -0.31 respectively).⁸ The correlations were based on districts for which both income and Title I data were available. Title I is intended to be distributed inversely with respect to income, and the relatively weak relationships are surprising.

The relationship between Title I aid and district assessed property value is far weaker still. Table 3 indicates a great deal of variability, but the correlation coefficients showed virtually no relationship.⁹ Students in high property wealth districts received on the average as much Title I aid as students in property poor districts. Since there is a strong relationship between Title I aid and income in two of the states, New Jersey and Texas, for those states at least, it is evident that poor students did not necessarily live in poor districts.

Finally, Table 3 indicates no relationship between Title I aid and tax rate. Districts with high numbers of Title I students were as likely to be low tax rate districts as high taxing districts.

This study also addressed the flow of Title I aid to various types of jurisdictions within the four states. In Florida, rural areas seemed to have

⁸See Appendix, Tables A-1 through A-4 for correlation coefficients.

⁹See Appendix, Tables A-1 through A-4 for correlation coefficients.

greater proportions of Title I eligible pupils and greater proportions of pupils served. In general, Title I expenditures and percentages of students served by Title I decreased as urban density increases. In Texas, cities and rural areas both provided the highest levels of service. In New Jersey and New York, cities received by far the greatest amounts of Title I aid.¹⁰ In its 1977 study, NIE also found that, nationally, cities and rural areas received the greatest amounts of aid (1977, p. vi).

It is now possible to draw a general picture of the way Title I was distributed across districts in the four states. It is apparent that the more Title I eligible pupils there were, the greater the allocations of Title I aid and the more students served by Title I. Districts receiving greater amounts of Title I aid were more likely to have higher percentages of minority students. On the whole, central cities received the most aid; rural areas came in second and suburban areas received the smallest amount. Title I allocations were moderately related to family income and unrelated to both property wealth and tax rate. Districts that received high levels of Title I aid tended to receive slightly more state general aid as well. In equalizing funds to low property-wealth districts, states are to an extent, expending more money in low-wealth areas. State compensatory aid, as opposed to general aid, flows overwhelmingly to high Title I aid districts.

Therefore, districts which get greater amounts of Title I aid also receive more state aid. The analysis now turns to the flow of state aid. What are the characteristics of districts that receive state compensatory and general aid? How do they differ from Title I districts?

¹⁰See Appendix, Tables A-5 through A-8, for amounts of Title I aid received by districts of varying geographical location characteristics.

Characteristics of Districts Receiving State Compensatory Aid

Tables 4 through 7 display the data related to the distribution of state compensatory education aid. Districts are ranked by ranges of state compensatory education dollars per pupil; average pupil and school finance characteristics are shown for each group of districts.

The flow of state compensatory education aid seemed to be moderately similar to Title I aid distribution in two states and strongly similar in two states. As in the case of Title I, there was a fairly strong inverse relationship between state compensatory education aid and income. In three states, New Jersey, New York and Texas, the relationship was quite strong,¹¹ although the relationship was weaker in New York. In Florida, however, the correlation coefficient between income and state compensatory education aid was only -0.05. Similarly, in three of the states compensatory education aid was inversely related to property value, though not very strongly. In New Jersey, however, there was almost no relationship (correlation coefficient = 0.01).

In summary, state compensatory aid flowed, as Title I aid did, to poorer districts. However, the relationship between state compensatory dollars and wealth was more variable than the relationship between Title I and wealth. Since three of the states use achievement instead of income criteria for eligibility, this is not surprising.

In Florida there was a clear relationship between state compensatory education aid and the school tax rate. State compensatory education aid went primarily to low tax rate districts. This does not imply that local funds were supplanted by state money, only that low tax rate districts tended

¹¹ See Appendix, Tables A-1 through A-4, for correlation coefficients.

TABLE 4

AVERAGES FOR SELECTED PUPIL AND SCHOOL FINANCE CHARACTERISTICS BY
RANGES OF STATE COMPENSATORY EDUCATION AID PER PUPIL, 1975-76FLORIDA

<u>State Compensatory Education Aid Per Pupil</u>	<u>Percent Title I Eligible Pupils</u>	<u>Percent Pupils Served by Title I</u>	<u>Percent State Compensatory Education Pupils Served</u>	<u>Percent Minority Pupils</u>	<u>Total Pupils as a Percent of State Total</u>	<u>Personal Income Per Capita</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Local School Tax Rate (Mills)</u>	<u>ESEA Title I Funds Per Pupil</u>	<u>State Equalization Aid Per Pupil</u>
Over \$20 (0 Districts)	--	--	--	--	--	--	--	--	--	--
\$15 - \$20 (0 Districts)	--	--	--	--	--	--	--	--	--	--
\$10 - \$14 (4 Districts)	39.2	14.4	47.7	56.7	1.9	\$5,357	\$56,892	5.4	\$11.46	\$598
\$5 - \$9 (45 Districts)	19.8	9.6	27.8	32.7	75.8	4,325	67,709	6.2	6.52	590
\$1 - \$4 (15 Districts)	13.6	6.0	18.8	18.4	22.4	4,340	76,135	6.5	4.49	668
Under \$1 (0 Districts)	--	--	--	--	--	--	--	--	--	--
Statewide Average	18.8	8.9	26.2	30.0	1.5	\$4,390	\$69,390	6.2	\$6.16	\$585

TABLE 5

AVERAGES FOR SELECTED PUPIL AND SCHOOL FINANCE CHARACTERISTICS BY
RANGES OF STATE COMPENSATORY EDUCATION AID PER PUPIL, 1975-76

NEW JERSEY

State Compensatory Education Aid Per Pupil	Percent Title I Eligible Pupils	Percent Pupils Served by Title I	Percent State Compensatory Education Pupils Served	Percent Minority Pupils	Total Pupils as a Percent of State Total	Median Family Income	Average Assessed Property Valuation Per Pupil	Local School Tax Rate (\$ per \$100)	ESEA Title I Funds Per Pupil	State Equalization Aid Per Pupil
Over \$100 (3 Districts)	66.4	35.2	21.8	22.3	0.0	NA ^a	\$ 94,244	1.55	\$228.73	\$178
\$75 - \$100 (6 Districts)	50.2	16.5	14.7	43.4	6.7	\$ 7,845	149,262	1.40	133.92	670
\$50 - \$74 (18 Districts)	38.6	11.3	10.1	44.6	8.2	8,589	141,320	1.52	91.18	481
\$25 - \$49 (68 Districts)	43.4	7.4	7.6	27.6	10.3	9,827	76,624	1.79	50.87	397
\$1 - \$24 (416 Districts)	34.7	2.9	2.3	7.0	74.7	12,974	101,019	1.98	16.11	195
Under \$1 (7 Districts)	12.9	1.8	2.8	7.7	0.0	NA	159,359	1.55	3.19	269
Statewide Average	35.9	3.7	3.4	11.5	100.0	\$12,325	\$101,160	1.95	\$ 16.26	\$226

^aNA -- Not available.

TABLE 6

AVERAGES FOR SELECTED PUPIL AND SCHOOL FINANCE CHARACTERISTICS BY
RANGES OF STATE COMPENSATORY EDUCATION AID PER PUPIL, 1975-76

NEW YORK

<u>State Compensatory Education Aid Per Pupil</u>	<u>Percent Below Poverty Line Pupils</u>	<u>Percent Pupils Served by Title I</u>	<u>Percent State Compensatory Education Pupils Served</u>	<u>Percent Minority Pupils</u>	<u>Total Pupils as a Percent of State Total</u>	<u>Median Family Income</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Local School Tax Rate (Mills)</u>	<u>ESEA Title I Funds Per Pupil</u>	<u>State Equalization Aid Per Pupil</u>
Over \$100 (12 Districts)	16.5	10.2	31.4	7.0	0.5	\$ 9,492	\$116,267	15.1	\$30.81	\$1,052
\$75 - \$99 (24 Districts)	23.8	9.5	36.9	7.5	1.5	9,201	60,950	17.7	38.40	1,133
\$50 - \$74 (153 Districts)	17.5	9.1	30.2	3.7	12.0	9,518	36,527	17.8	28.98	1,159
\$25 - \$49 (303 Districts)	13.7	7.1	22.4	5.7	33.5	10,287	53,971	18.6	25.34	992
\$1 - \$24 (156 Districts)	8.2	5.6	15.4	5.0	48.4	12,674	98,981	19.3	17.44	737
Under \$1 (33 Districts)	11.7	11.3	1.0	4.3	4.2	10,757	195,779	15.0	26.87	751
Statewide Average	13.6	7.5	22.2	5.1	100.0	\$10,631	\$ 68,578	18.3	\$24.98	\$ 966

TABLE 7

AVERAGES FOR SELECTED PUPIL AND SCHOOL FINANCE CHARACTERISTICS BY
RANGES OF STATE COMPENSATORY EDUCATION AID PER PUPIL, 1975-76

TEXAS

<u>State Compensatory Education Aid Per Pupil</u>	<u>Percent Title I Eligible Pupils</u>	<u>Percent Pupils Served by Title I</u>	<u>Percent State Compensatory Education Pupils Served</u>	<u>Percent Minority Pupils</u>	<u>Total Pupils as a Percent of State Total</u>	<u>Median Family Income</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Local School Tax Rate (Mills)</u>	<u>ESEA Title I Funds Per Pupil</u>	<u>State Equalization Aid Per Pupil</u>
Over \$100 (0 Districts)	--	--	--	--	--	--	--	--	--	--
\$75 - \$100 (0 Districts)	--	--	--	--	--	--	--	--	--	--
\$50 - \$74 (0 Districts)	--	--	--	--	--	--	--	--	--	--
\$25 - \$49 (73 Districts)	73.7	56.2	41.5	61.8	2.7	\$4,608	\$189,586	1.36	\$107.51	\$691
\$1 - \$24 (834 Districts)	29.7	22.9	17.9	27.5	90.7	7,080	146,118	1.29	42.69	682
Under \$1 (169 Districts)	24.9	13.6	0.1	26.8	6.6	8,266	846,177	1.32	20.03	335
Statewide Average	32.0	23.7	16.7	29.7	100.0	\$7,064	\$259,020	1.30	\$ 43.53	\$636

to be the districts that received state compensatory education aid. In the other states, there was no consistent relationship between tax rate and this aid program.

In all four states, greater amounts of state compensatory education aid went to districts with high percentages of minority students. On the whole, Title I had a slightly stronger relationship with percent minority than state compensatory education aid did.¹²

State compensatory education aid was positively related to both Title I aid and state general aid.¹³ The relationship between state compensatory aid and Title I aid was much stronger than the relationship between state compensatory education aid and general aid with the exception of New York. In that case, the two types of compensatory aid went to substantially different districts. New York's aid was distributed on an achievement rather than an income basis.

There was no pattern among the states in the distribution of aid by geographical location. In Florida and Texas there were no strongly discernable trends. State compensatory education aid flowed to all types of districts. New Jersey cities had both the greatest number of compensatory education students served and the greatest compensatory education expenditure per pupil, followed by the rural areas and then suburbs. New York was the most heterogeneous. Cities served the greatest number of state compensatory education students but rural areas received the greatest amount of dollars per pupil.¹⁴

¹²See Appendix, Tables A-1 through A-4, for correlation coefficients.

¹³The correlation coefficients between state compensatory education and Title I were: Florida 0.34, New Jersey 0.99, New York 0.11 and Texas 0.69. The coefficients between state compensatory aid and state general aid were: Florida 0.23, New Jersey 0.35, New York 0.37 and Texas 0.29.

¹⁴See Appendix, Tables A-5 through A-8.

Characteristics of Districts Receiving State General Aid

Tables 8 through 11 deal with the distribution of state general aid. They rank districts by ranges of state general aid per pupil and indicate pupil and district characteristics for these groups of districts. Like Title I, state general aid is designed to varying degrees to be distributed somewhat inversely to wealth. With state general aid, the wealth measure for distribution purposes is assessed property valuation. Title I uses income as its measure. Curiously, in two of the four states studied, Florida and New York, state general aid flowed more directly to low-income districts than did Title I aid. One wonders whether Title I would channel more aid to poor students on a national basis if it were distributed inversely to property wealth rather than income. As yet, there is insufficient evidence with which to answer that question. The data available does indicate, however, that in our four states, state general aid and Title I were going to a great extent to different districts.¹⁵

Tables 8 through 11 indicate a general but very slight trend for high general aid districts to have larger amounts of Title I students served and Title I allocations. Similarly, state compensatory education pupils and expenditures increased with state general aid. The relationship was a relatively weak one though. On the average, high general aid districts received only very slightly higher levels of state compensatory education than did low general aid districts.

As might be expected assessed property valuation decreased as state general aid increased. State general aid is intended to equalize property wealth disparities. Interestingly however the relationship displayed

¹⁵See Tables A-1 through A-4 in the Appendix. The correlation coefficients between state general aid and Title I aid were: Florida 0.21, New Jersey 0.39, New York 0.05 and Texas 0.15.

TABLE 8

AVERAGES FOR SELECTED PUPIL AND SCHOOL FINANCE CHARACTERISTICS BY
RANGES OF STATE GENERAL AID PER PUPIL, 1975-76

FLORIDA

<u>State General Aid Per Pupil</u>	<u>Percent Title I Eligible Pupils</u>	<u>Percent Pupils Served by Title I</u>	<u>Percent State Compensatory Education Pupils Served</u>	<u>Percent Minority Pupils</u>	<u>Total Pupils as a Percent of State Total</u>	<u>Personal Income Per Capita</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Local School Tax Rate (Mills)</u>	<u>State Compensatory Education Aid Per Pupil</u>	<u>ESEA Title I Funds Per Pupil</u>
Over \$700 (14 Districts)	29.5	12.4	29.1	29.8	5.2	\$3,707	\$ 27,367	5.66	\$6.94	\$37.90
\$600 - \$700 (24 Districts)	20.8	11.0	25.1	23.7	35.7	3,971	44,907	6.25	5.90	32.95
\$500 - \$599 (17 Districts)	16.1	6.8	26.1	35.5	46.7	4,911	81,884	6.38	6.10	28.54
\$400 - \$499 (5 Districts)	20.0	10.4	32.1	31.2	8.4	4,987	100,734	6.12	7.56	11.98
\$300 - \$399 (3 Districts)	15.3	5.5	20.1	17.5	2.2	5,642	117,873	6.27	4.85	25.95
Under \$300 (4 Districts)	13.0	5.9	22.6	21.1	1.8	5,396	146,218	6.59	5.39	15.03
Statewide Average	18.8	8.9	26.2	30.0	1.5	\$4,390	\$ 69,390	6.17	\$6.16	\$28.91

TABLE 9

AVERAGES FOR SELECTED PUPIL AND SCHOOL FINANCE CHARACTERISTICS BY
RANGES OF STATE GENERAL AID PER PUPIL, 1975-76NEW JERSEY

Deciles of State General Aid Per Pupil	Percent Title I Eligible Pupils	Percent Pupils Served by Title I	Percent State Compensatory Education Pupils Served	Percent Minority Pupils	Total Pupils as a Percent of State Total	Median Family Income	Average Assessed Property Valuation Per Pupil	Local School Tax Rate (\$ Per \$100)	State Compensatory Education Aid Per Pupil	ESEA Title I Funds Per Pupil
First - Average \$95 (116,740 Pupils)	33.7	2.2	2.2	6.3	7.8	\$12,894	\$ 99,078	1.86	\$ 9.15	\$14.26
Second - Average \$110 (230,676 Pupils)	34.7	2.6	2.2	7.6	8.7	13,748	114,555	2.18	11.21	17.27
Third - Average \$117 (199,592 Pupils)	27.9	1.5	1.8	6.9	13.3	14,339	99,344	2.05	7.97	11.49
Fourth - Average \$122 (176,592 Pupils)	33.6	1.7	1.6	5.9	11.8	13,930	120,311	1.94	9.40	14.31
Fifth - Average \$127 (209,300 Pupils)	36.7	3.5	2.2	9.7	14.0	13,403	109,024	1.94	15.45	22.86
Sixth - Average \$153 (55,131 Pupils)	31.1	3.7	3.4	6.4	3.7	11,929	132,988	1.61	17.32	26.48
Seventh - Average \$190 (65,624 Pupils)	33.8	5.7	5.2	6.6	4.4	11,669	126,829	1.69	20.74	32.19
Eighth - Average \$292 (98,904 Pupils)	39.6	4.1	3.7	9.8	6.6	10,872	105,285	2.03	16.22	25.72
Ninth - Average \$417 (192,816 Pupils)	42.2	6.1	6.2	24.1	12.9	9,961	56,007	1.98	21.66	33.82
Tenth - Average \$763 (252,807 Pupils)	48.6	10.0	7.2	32.7	16.9	9,048	41,308	1.94	38.81	59.29
Statewide Average	35.9	3.7	3.4	11.5	100.0	\$12,325	\$101,160	1.95	\$16.26	\$24.91

TABLE 10

AVERAGES FOR SELECTED PUPIL AND SCHOOL FINANCE CHARACTERISTICS BY
RANGES OF STATE GENERAL AID PER PUPIL, 1975-76NEW YORK

Deciles of State General Aid Per Pupil	Percent Title I Eligible Pupils	Percent Pupils Served by Title I	Percent State Compensatory Education Pupils Served	Percent Minority Pupils	Total Pupils as a Percent of State Total	Median Family Income	Average Assessed Property Valuation Per Pupil	Local School Tax Rate (Mills)	State Compensatory Education Aid Per Pupil	ESEA Title I Funds Per Pupil
First - Average \$466 (190,400 Pupils)	9.8	10.3	16.6	10.8	5.7	\$12,549	\$211,862	16.6	\$18.47	\$29.79
Second - Average \$626 (258,944 Pupils)	10.0	6.3	19.6	10.9	7.8	13,020	109,247	20.8	26.94	22.68
Third - Average \$772 (1,404,540 Pupils)	9.3	5.8	17.4	8.0	42.2	11,876	87,572	20.5	30.42	22.86
Fourth - Average \$895 (344,624 Pupils)	10.9	5.3	20.0	2.9	10.4	11,198	57,437	19.0	33.94	19.61
Fifth - Average \$981 (239,564 Pupils)	11.7	5.8	19.6	3.2	7.2	10,228	46,065	19.4	34.98	20.27
Sixth - Average \$1,041 (295,868 Pupils)	15.8	7.9	23.8	7.3	8.9	10,100	43,281	18.1	46.63	27.92
Seventh - Average \$1,099 (159,188 Pupils)	15.2	7.6	21.1	1.7	4.8	9,663	35,729	17.1	51.09	22.66
Eighth - Average \$1,450 (143,752 Pupils)	14.5	8.2	23.2	2.0	4.3	9,652	34,327	17.7	47.69	21.05
Ninth - Average \$1,217 (153,952 Pupils)	17.7	9.2	29.5	2.1	4.6	9,262	30,775	17.9	56.33	27.81
Tenth - Average \$1,410 (134,844 Pupils)	20.9	9.3	30.8	2.1	4.1	8,772	29,715	16.1	53.57	35.22
Statewide Average	13.6	7.5	22.2	5.1	100.0	\$10,631	\$ 68,578	18.3	\$39.90	\$24.98

TABLE 11

AVERAGES FOR SELECTED PUPIL AND SCHOOL FINANCE CHARACTERISTICS BY
RANGES OF STATE GENERAL AID PER PUPIL, 1975-76TEXAS

Deciles of State General Aid Per Pupil	Percent Title I Eligible Pupils	Percent Pupils Served by Title I	Percent State Compensatory Education Pupils Served	Percent Minority Pupils	Total Pupils as a Percent of State Total	Median Family Income	Average Assessed Property Valuation Per Pupil	Local School Tax Rate (Mills)	State Compensatory Education Aid Per Pupil	ESEA Title I Funds Per Pupil
First - Average \$198 (58,644 Pupils)	27.5	15.1	2.5	31.2	2.3	\$7,721	\$1,064,609	1.33	\$ 1.83	\$22.11
Second - Average \$421 (258,084 Pupils)	30.1	22.6	17.5	28.3	10.2	7,730	262,014	1.36	10.56	39.87
Third - Average \$530 (407,268 Pupils)	31.0	23.0	16.8	31.7	16.1	7,619	165,210	1.29	11.39	44.22
Fourth - Average \$582 (239,252 Pupils)	34.0	24.9	18.9	32.1	9.5	6,955	139,831	1.35	12.95	44.56
Fifth - Average \$622 (420,660 Pupils)	27.3	20.9	13.3	29.7	16.7	7,380	106,361	1.29	10.08	40.26
Sixth - Average \$653 (417,420 Pupils)	27.3	20.1	15.7	27.3	16.5	7,212	273,329	1.23	10.48	38.90
Seventh - Average \$684 (356,952 Pupils)	35.3	26.2	20.3	34.1	14.1	6,551	105,001	1.26	13.53	52.49
Eighth - Average \$727 (179,388 Pupils)	33.2	25.2	18.4	28.2	7.1	6,886	125,600	1.25	13.16	51.41
Ninth - Average \$811 (132,680 Pupils)	38.8	30.3	20.6	32.4	5.3	6,628	137,175	1.31	13.97	54.35
Tenth - Average \$1,130 (55,080 Pupils)	35.9	28.9	23.3	22.3	2.2	6,150	212,137	1.33	13.38	47.30
Statewide Average	32.0	23.7	16.7	29.7	100.0	\$7,064	\$ 259,020	1.30	\$11.12	\$43.53

considerable variation among the states. In New Jersey and Texas, there were groups of poorer districts receiving on the average less general aid than richer districts.

State general aid did not display any clear trend in relation to tax rates. High general aid districts were just as likely to pay high and low taxes as low general aid districts.

Family income seemed to be among the best predictors of state general aid of any of the variables tested. Tables 8 through 11 all show that general aid flowed more heavily to low income areas. The correlations were fairly strong.¹⁶ On the other hand, the percent of minority pupils was not a good predictor for the flow of state general aid. In three states, the percentage of minority students did not vary consistently between districts receiving different amounts of general aid. In Florida, general aid decreased as percent minority increased. However, in Florida percent minority was positively associated with income. While general aid in Florida, as in the other states, was flowing to low income areas, it was not reaching districts with high concentrations of minorities.

State general aid also varied with type of jurisdictions. In Florida, state general aid flowed more heavily to rural areas. In Texas the situation seems somewhat reversed. Cities received the greatest general aid, followed by rural areas and then suburbs. In New Jersey the central cities received the greatest aid by far, followed by the suburbs and then rural areas. New York's smallest districts seemed to do best, followed by the

¹⁶The correlations between general aid and family income were: Florida -0.46, New Jersey -0.45, New York -0.45 and Texas -0.20.

the suburbs with central cities last.¹⁷ Each state seemed to have a unique trend differing somewhat in character from the distribution of Title I aid.

As we have just seen, there are a number of characteristics that distinguish high state general aid districts from high Title I aid districts. However, these differences are not dramatic. State general aid is not strongly associated with the presence of Title I funds or Title I students served. High general state aid districts tend to serve on the average slightly more Title I students than do low general aid districts. In half the states, Title I aid is less strongly compensatory in relation to family income than state general aid. State general aid was negatively associated with assessed property value whereas Title I had almost no relationship to assessed property value. State general aid was virtually unrelated to tax rate. Both state general aid and Title I flowed more strongly to low income areas, but high state general aid districts are not necessarily high in percentages of minority pupils. In addition, there was no pattern of flow to a particular type of jurisdiction, as there was in the case of Title I.

Complimentarity of Aid Flows

One of the major questions posed by this study concerned the relationship between Title I and state aid. Is the flow of Title I aid complimentary with state compensatory education aid and state general aid? Do they serve the same districts?

Title I and state compensatory education aid did flow to the same types of districts, albeit at different rates. In general, the two types of aid

¹⁷ See Tables A-5 through A-8 in the Appendix.

were found to be complimentary. Both flowed inversely with relation to income, both were distributed in similar fashion to districts with high percentages of minority students and both showed no clear consistent relationship to district tax rates.

There were some small differences between Title I and state compensatory education aid. The differences related more to strength than to direction of aid flow. Title I was found to be related to family income and less strongly to property wealth. Property wealth was a slightly stronger predictor for state compensatory education aid. State compensatory aid flowed more strongly than Title I to low property wealth districts with slightly higher incomes. Also, Title I aid was distributed predominantly to central cities. State compensatory aid showed no such pattern with respect to type of jurisdiction.

State general aid was less similar to Title I in its pattern of flow. It was strongly associated with income; in two cases general aid was more strongly associated than Title I. However, it was more strongly related to property wealth than Title I aid and it did not flow to districts with large proportions of minority students. In addition, it did not flow predominantly to central cities.

Title I and State Compensatory Education: Effects on Equalization

One of the purposes of this study was to analyze the effects of compensatory education aid on the equalizing effects of state general aid. Recent reforms in education finance have attempted to reduce inequities in school finance. These reforms have centered on equalizing the absolute dollars spent on students and equalizing the dollars raised per unit of tax effort paid by their parents. Title I and state compensatory education also

distribute dollars to school districts. The basic question examined is whether the addition of Title I and state compensatory education dollars affected the per pupil educational expenditure disparity and tax effort disparity between school districts? Berke, Sachs, Bailey and Campbell (Berke and Kirst, 1972, pp. 22-23) examined the effect of Title I on expenditure equalization. They found that Title I aid had a slightly equalizing effect relative to income but almost no relationship to property wealth. They based their findings on 1967 data. This study examines the situation 10 years later and also looks at the additional effect of state compensatory education aid.

Table 12 shows various measures of per pupil expenditure equity. The average, minimum, maximum (the range is the maximum minus the minimum), standard deviation and coefficient of variation are shown for various categories of per pupil expenditure. Expenditures from local revenue are shown first, followed by local plus state revenue, local plus state plus Title I aid and so on. This approach provides a means for examining the additive effect of each type of revenue on per pupil expenditures.

Title I aid and state compensatory education aid individually and collectively add to the equalizing effect of state aid. The coefficient of variation tells us how large the average variance about the mean is. The larger the coefficient, the greater the expenditure disparity. The table shows that the average dispersion around the mean of per pupil expenditure was greatest when just local revenue was shown and lowest when all forms of aid were included. The states all followed the same pattern. When state general aid was added to local revenue the amount of inequality between the various districts in the state dropped sharply. Both Title I and state compensatory education aid reduced this further. In New Jersey and

TABLE 12

MEASURES OF EXPENDITURE EQUITY

Equity Measures	Local Revenue Per Pupil	Local Revenue Plus State Equalization Aid Per Pupil	Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil	Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil	Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil
<u>FLORIDA</u>					
Average	\$ 374	\$ 964	\$ 1,001	\$ 971	\$ 1,007
Minimum	99	807	808	814	814
Maximum	1,002	1,215	1,217	1,222	1,223
Standard Deviation	222	92	88	91	87
Coefficient of Variation	.60	.10	.09	.09	.09
<u>NEW JERSEY</u>					
Average	\$ 1,061	\$ 1,279	\$ 1,303	\$ 1,294	\$ 1,319
Minimum	200	526	557	547	578
Maximum	2,991	3,153	3,170	3,165	3,182
Standard Deviation	495	445	446	446	447
Coefficient of Variation	.466	.347	.342	.344	.339
<u>NEW YORK</u>					
Average	\$ 1,239	\$ 2,205	\$ 2,230	\$ 2,245	\$ 2,270
Minimum	177	1,320	1,332	1,346	1,346
Maximum	15,002	15,151	15,151	15,151	15,151
Standard Deviation	1,015	853	853	848	848
Coefficient of Variation	.819	.376	.382	.377	.373
<u>TEXAS</u>					
Average	\$ 412	\$ 1,074	\$ 1,130	\$ 1,087	\$ 1,143
Minimum	42	699	756	727	761
Maximum	1,596	2,795	2,837	2,810	2,853
Standard Deviation	246	236	236	235	237
Coefficient of Variation	.601	.228	.219	.221	.216

Texas, Title I had a greater effect on equalizing per pupil expenditures than state compensatory education. In New York, state compensatory education had a greater equalization effect. In all states though, the addition of Title I and state compensatory education together produced the smallest coefficient of variation and therefore the least inequality relative to the mean.

The ability of Title I and state compensatory aid to enhance expenditure equality was also demonstrated when districts were grouped by property wealth. As Table 13 shows, in all four states there was a large range in local revenue per pupil between the top and bottom deciles of property wealth. The range was drastically reduced when state general aid was added to district revenue. The range between the wealthiest and poorest deciles was also reduced by the addition of compensatory aid, though less dramatically. Title I had a greater effect on narrowing the range than did state compensatory education with the exception of New York.¹⁸ In all cases, the smallest range difference occurred when local revenue, state revenue, and Title I and state compensatory education aid were added together.

This same pattern is followed when ranges for districts ranked by deciles of personal income are examined. Table 14 shows the ranges in district revenue variables between the top and bottom deciles of districts ranked by income.¹⁹ Each added form of revenue reduced the range. In New York state compensatory education aid had a greater effect on per pupil dollar equalization than Title I aid. Florida is excluded because appropriate data were not available.

¹⁸See Appendix, Tables A-9 through A-12 for a more detailed presentation of these results.

¹⁹See Appendix, Tables A-13 through A-15 for a more detailed presentation of these results.

TABLE 13

RANGE IN DISTRICT REVENUE PER PUPIL VARIABLES BETWEEN
FIRST AND TENTH DECILES OF DISTRICTS RANKED BY PROPERTY WEALTH

States	Range in Local Revenue Per Pupil	Range in Local Revenue Plus State Equalization Aid Per Pupil	Range in Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil	Range in Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil	Range in Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil
Florida	\$ 749	\$ 298	\$ 276	\$ 297	\$ 275
New Jersey	1,022	595	568	577	551
New York	2,544	1,799	1,790	1,767	1,758
Texas	2,138	1,792	1,763	1,785	1,756

TABLE 14

RANGE IN DISTRICT REVENUE PER PUPIL VARIABLES BETWEEN
FIRST AND TENTH DECILES OF DISTRICTS RANKED BY PERSONAL INCOME

States	Range in Local Revenue Per Pupil	Range in Local Revenue Plus State Equalization Aid Per Pupil	Range in Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil	Range in Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil	Range in Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil
New Jersey	\$ 727	\$ 384	\$ 324	\$ 346	\$ 286
New York	1,298	933	909	907	883
Texas	242	172	41	107	20

It is clear that Title I and compensatory education aid did not have a disequalizing effect on state general aid from the standpoint of dollars per pupil. Not only were they not disequalizing, in these four states they in fact decreased expenditure inequality. Some would argue that there should be an inverse relationship between total dollars spent for education and wealth, on the assumption that the aid formula should be compensatory to poor groups and not merely proportional in expenditure. The addition of Title I and state compensatory education aid did not bring about a negative relationship between educational dollars and wealth; they did not effect a true compensatory system in which previously deprived students receive above average expenditures. These aid programs did, however, provide an additional impetus toward expenditure equity.

Title I and state compensatory education aid affected tax equity in much the same way they affected expenditure equity. Table 15 indicates the range, standard deviation and coefficient of variation for education dollars per mill of taxation. The first column for each state shows local revenue per pupil raised per mill, subsequent columns indicate dollars per pupil available from local revenue plus aid programs divided by the school tax rate. The table shows that the addition of state and federal dollars reduced the tax effort disparity among districts in the sense that with the addition of aid, equal tax rates resulted in more equal amounts to spend. The declining coefficient of variation indicates that as each type of aid was added, the dollars produced per unit of tax moved closer to the state mean for dollars per unit of tax effort.

The analysis demonstrated clearly that neither Title I nor state compensatory education aid had disequalizing effects. They did not distract from the equalizing flow of state general aid. Both had a mildly equalizing effect from both the

TABLE 15

MEASURES OF TAXPOWER EQUITY

	Local Revenue Per Pupil Per Mill ^a	Local Revenue Plus State Equalization Aid Per Pupil Per Mill	Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil Per Mill	Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil Per Mill	Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil Per Mill
<u>FLORIDA</u>					
Average	\$ 60	\$ 158	\$ 164	\$ 159	\$ 166
Minimum	18	116	117	116	118
Maximum	163	198	215	200	217
Standard Deviation	34	20	21	20	22
Coefficient of Variation	.57	.13	.13	.13	.13
<u>NEW JERSEY</u>					
Average	\$ 664	\$ 792	\$ 807	\$ 802	\$ 817
Minimum	85	191	198	196	204
Maximum	4,866	5,241	5,264	5,248	5,272
Standard Deviation	588	608	615	612	619
Coefficient of Variation	.884	.768	.762	.763	.758
<u>NEW YORK</u>					
Average	\$ 77	\$ 135	\$ 136	\$ 137	\$ 138
Minimum	18	72	72	72	73
Maximum	296	2,990	2,990	2,990	2,990
Standard Deviation	138	136	136	136	136
Coefficient of Variation	1.786	1.009	1.000	0.993	0.983
<u>TEXAS</u>					
Average	\$ 328	\$ 881	\$ 927	\$ 892	\$ 937
Minimum	42	427	519	484	531
Maximum	1,256	3,362	3,411	3,369	3,418
Standard Deviation	193	283	291	284	293
Coefficient of Variation	.597	.328	.317	.324	.313

^aThe local school tax rate was mills in Florida, New York and Texas and dollars per \$100 in New Jersey.

standpoint of expenditures per pupil and tax effort. Title I had a slightly stronger equalizing influence in all the states except New York.

Title I Expenditure Categories as a Function of Wealth

A brief attempt was made to determine whether districts varied in the uses of their Title I funds. Unfortunately only Florida was able to participate in this part of the analysis.

Table 16 breaks down areas of Title I expenditure by deciles of income. It is clear that district personal income exerted an influence on spending patterns. As income increased, the percentage of total Title I expenditure for instructional staff decreased. Higher income districts in Florida seemed to spend more of their Title I grant for support, community and other services than did poorer income districts. Table 16 shows, as income increased, the percentage of total Title I grants for all services except instruction increased.

When Table 17 is examined a quite different picture emerges. Table 17 compares categories of assessed property value to categories of Title I expenditure. There appears to be no strongly discernable trends between expenditure patterns and property value. It does appear that the percentage of the grant spent for instructional expenditures decreased slightly as property wealth rose; instructional support services also appeared to decrease as property wealth increased. General support services and community services increased slightly with increasing property wealth. The relationships were in general very weak although in the same direction as the income -- expenditure patterns.

The meaning of these expenditure patterns is somewhat difficult to interpret. As wealth increases, districts in Florida seem to release more of

TABLE 16

CATEGORIES OF TITLE I EXPENDITURES BY DECILES
OF PERSONAL INCOME PER CAPITA

Title I Expenditure Per Pupil Categories

FLORIDA

<u>Deciles</u>	<u>Personal Income Per Capita</u>	<u>Instruction</u>	<u>Instructional Support Services</u>	<u>General Support Services</u>	<u>Community Services, Debt Services, Remittances and Transfers</u>
First (12,120 Pupils)	\$2,806	\$0.97	\$0.001	\$0.03	--
Second (22,644 Pupils)	3,260	0.91	0.04	0.05	\$0.00
Third (36,156 Pupils)	3,545	0.84	0.06	0.01	--
Fourth (72,091 Pupils)	3,848	0.81	0.11	0.00	--
Fifth (81,333 Pupils)	4,124	0.89	0.07	0.04	--
Sixth (12,001 Pupils)	4,434	0.88	0.05	0.07	--
Seventh (96,831 Pupils)	4,682	0.62	0.29	0.09	--
Eighth (303,912 Pupils)	4,375	0.81	0.08	0.11	0.00
Ninth (343,497 Pupils)	5,213	0.77	0.09	0.08	0.06
Tenth (536,182 Pupils)	6,875	0.85	0.09	0.05	0.01

TABLE 17

CATEGORIES OF TITLE I EXPENDITURE BY
DECILES OF ASSESSED PROPERTY VALUATION PER PUPIL

Title I Expenditure Per Pupil Categories

FLORIDA

<u>Deciles</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Instruction</u>	<u>Instructional Support Services</u>	<u>General Support Services</u>	<u>Community Services, Debt Services, Remittances and Transfers</u>
First (47,869 Pupils)	\$21,944	\$0.88	\$0.09	\$0.03	--
Second (31,912 Pupils)	29,946	0.80	0.15	0.05	--
Third (79,090 Pupils)	34,861	0.82	0.05	0.15	--
Fourth (52,475 Pupils)	40,314	0.94	0.04	0.02	--
Fifth (351,531 Pupils)	45,139	0.68	0.16	0.10	\$0.06
Sixth (45,782 Pupils)	50,978	0.90	0.05	0.05	--
Seventh (142,922 Pupils)	61,465	0.82	0.09	0.09	0.00
Eighth (506,165 Pupils)	80,026	0.87	0.07	0.06	--
Ninth (311,231 Pupils)	97,302	0.81	0.09	0.07	0.03
Tenth (55,842 Pupils)	140,425	0.85	0.05	0.10	0.00

their Title I funds for activities other than instruction. This could mean that they provide a more comprehensive compensatory education program than poor districts. It could also mean that poorer districts prefer concentrating on the basic education program. A more thorough study of this aspect of Title I is needed to properly answer these questions.

IV. CONCLUSIONS

The foregoing analysis leads to a number of conclusions about the patterns of aid flows in the four states studied.

I. Title I Aid

- A. The flow of Title I aid was strongly related to:
 - 1. The percentage of Title I eligible students,
 - 2. The percentage of Title I students served,
 - 3. The district proportion of minority students,
 - 4. District family income, and
 - 5. The flow of state compensatory aid.
- B. The flow of Title I aid was only slightly related to district property wealth and was unrelated to district tax effort.
- C. Cities and rural areas tended to receive higher levels of Title I aid per pupil than suburbs.

II. State Compensatory Education Aid

- A. State compensatory education aid flowed to the same type of district aided by Title I.
- B. In three states, state compensatory aid was also distributed inversely with respect to property wealth.

III. State General Aid

- A. State general aid went primarily to districts with
 - 1. Low property wealth, and
 - 2. Low family income.
- B. The flow of state general aid was slightly related to the flow of state compensatory education aid.
- C. The distribution of state general aid per pupil relative to cities, suburbs and rural areas was different in each state.

IV. Interaction Between Title I and State Aid

- A. Title I and state compensatory education aid were complimentary in distribution.
- B. Title I aid added to per pupil expenditure equality in each state
- C. State compensatory education aid also added to expenditure equality though less strongly than Title I aid
- D. Both state and federal compensatory education programs had slightly equalizing effects on dollars available per unit of tax effort.

The primary finding supported by this study is that categorical compensatory education aid from state or federal sources studied enhanced educational expenditure equity in the states. Increases in Title I or state compensatory education spending using existing formulas will narrow the expenditure gap between rich and poor districts. This is not to say that the current distribution formula could not be improved to produce even greater equity. But in the four states examined, there is no need to worry about changing the existing compensatory education aid formulas because they are working against the equalizing thrust of state general aid.

BIBLIOGRAPHY

Advisory Committee on Comprehensive Education. Progress Report on Compensatory Education Programs in California. Sacramento: Advisory Committee on Comprehensive Education, 1965a.

Advisory Committee on Comprehensive Education. Recommendations for Expansion by the California State Legislature of the State Compensatory Education Program Based on the McAteer Act. Sacramento: Advisory Committee on Comprehensive Education, 1965b.

Alexander v. Califano, United States District Court, Northern District of Calif. No C-76-195 2-WWS (1977).

Anderson, Myron. "A Financial Analysis of Title I, Public Law 89-10 and the Foundation of a Defensible Federal Financial Aid Distribution Plan." In Interdependence in School Finance: The City, the State, the Nation, Washington, D.C.: National Education Association, 1968.

Bailey, Stephen and E. Mosher. E.S.E.A. The Office of Education Administers a Law. Syracuse, New York: Syracuse University Press, 1968.

Bellow v. Wisconsin, Civil No. 127-060. Cir Ct (1969).

Berke, Joel and J. Kelley. "Financial Aspects of Equality of Educational Opportunity: A Report Presented to the Select Committee on Equal Opportunity, Dec. 1971." Financial Aspects, Washington, D.C.: U.S. Senate, Select Committee on Equal Opportunity, 1971.

Berke, Joel and M. Kirst. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Massachusetts: Lexington Books, 1972.

Borlaim, David and W. Hettich. The Elementary and Secondary Education Act: A Distributional Analysis. St. Louis, Missouri: Washington University Institute for Urban and Studies, 1968.

Burruss v. Wilkerson, 310 Fed. Supp. 572 (1969).

Coons, John, W. Clune and S. Sugarman. "Educational Opportunity: A Workable Constitutional Test for State Finance Structure." California Law Review, No. 57 (1969):305-11.

Cubberly, Elwood. School Funds and Their Apportionments. New York: Columbia University, 1905.

Dickie v. Robinson, 414 U.S. 976. (1973).

Education U.S.A. 19 (1977):311-16 (Entire issue).

Ginsberg, Alan. Patterns of Federal Aid to School Districts. Washington, D.C.: U.S. Department of Health, Education and Wealth, 1975.

- Hecht, Kathryn. "Title I Federal Evaluation: The First Five Years." Harvard Education Review 75 (1973):67-8.
- Horton v. Meskill, 31 Conn. Sup. 377, 322 A. 2d 113 (1974).
- Jensen v. Board of Tax Commissioners, No. 23, 474 Circuit Court of Indiana, 15 January 1973.
- (The) Legal Standards Project. A Description and Analysis of the Relationship Between Title I, ESEA and Selected State Compensatory Education Programs. Washington, D.C.: Lawyers' Committee for Civil Rights Under Law, 1977.
- Lundquist, Robert and A. Wise. "Developments in Education Litigation: Equal Protection." Journal of Law and Education 5 (1976):1-55.
- McGinnis v. Ogilvie, 394 U.S. 322 (1968).
- Milliken v. Green, 389 Mich. 1, 203, N.W. 2d 457 (1972).
- Mosteller, Frederics and D. Moyinham. An Equality of Educational Opportunity. New York: Random House, 1972.
- Murphy, Jerome and David Cohen. "Accountability in Education -- the Michigan Experience." The Public Interest, No. 36 (Summer 1972):53-81.
- National Education Association. Rankings of the States, 1976. Washington, D.C.: National Education Association, 1976.
- National Educational Finance Project. Status and Impact of Educational Finance Programs. R. Johns, K. Alexander and D. Stollar, Editors: Gainesville, Florida: National Educational Finance Project, 1971.
- National Institute of Education. Evaluating Compensatory Education: An Interim Report on the NIE Compensatory Education Study. Washington, D.C.: National Institute of Education, U.S. Department of Health, Education and Welfare, 1976.
- National Institute of Education. Title I Funds Allocation: The Current Formula. Washington, D.C.: National Institute of Education, 1977.
- Odden, Allan and P. Vincent. Analysis of the School Finance and Tax Structure of Missouri. Denver, Colorado: Education Commission of the States, 1976.
- Odden, Allan. Alternative Measures of School District Wealth. Denver, Colorado: Education Commission of the States, 1976.
- Pincus, John. Editor. School Finance in Transition. Cambridge, Massachusetts: Ballanger Publishing Company, 1974.
- San Antonio Independent School District v. Rodriguez, 411 U.S. 1 Ct. 93 S.Ct. 1278 (1973).
- Serrano v. Priest, 5 Cal. 3d 584, 487 P.2d 1211, 96 Cal. 601 (1971).
- Serrano v. Priest, Super. Ct. Co. of L.A., Memorandum No. 939, 254 (1974).

- Shalala, Donna, et. al. Equalizing Educational Opportunity in Connecticut. The Institute of Philosophy and Politics of Education, Teachers College, Columbia University, New York, 1975.
- Spano v. Board of Education, 68 Miscellaneous, 2d 804. 328 N.Y.S. 2d 299 (1972).
- Strayer, George and R. Haig. The Financing of Education in the State of New York. Washington, D.C.: American Counsel on Education, 1924.
- Sweetwater City Planning Commission v. Hinkle, 491 P. 2d 1234 (1971).
- Sundquist, James. "For the Young, Schools." In The Politics of Education at the Local, State and Federal Levels. M. Kirst, Editor. Berkeley, California: McCutchan Publishing Co., 1970.
- U.S. Department of Health, Education and Welfare. State Compensatory Education Programs. Washington, D.C.: U.S. Government Printing Office, 1976.
- Wagner, John. Title I E.S.E.A.: Legislative Intent; Equalization Effect Within Nine States. Gainesville: University of Florida, 1970.
- Wirt, Fredrick and M. Kirst. Political and Social Foundations of Education. Berkeley, California: McCutchan Publishing Co., 1972.
- Wise, Arthur. Rich Schools, Poor Schools: The Promise of Equal Educational Opportunity. Chicago, Illinois: University of Chicago Press, 1967.

APPENDIX

77

CORRELATION MATRIX

TABLE A-1

FLORIDA

Variables	Title I Funds Per Pupil	State Compensatory Education Aid Per Pupil	State General Aid Per Pupil	Percent Title I Eligible Pupils	Percent Title I Pupils Served	Percent State Compensatory Education Pupils	Percent Minority Pupils	Number of Pupils	Personal Income Per Capita	Assessed Property Valuation Per Pupil	Local School Tax Rate
Title I Funds Per Pupil	1.00	.34	.21	.45	.52	.28	.14	-.21	-.25	-.22	-.32
State Compensatory Education Aid Per Pupil		1.00	.23	.47	.31	.90	.58	-.15	-.05	-.23	-.34
State General Aid Per Pupil			1.00	.35	.24	.22	.09	-.02	-.46	-.94	-.21
Percent Title I Eligible Pupils				1.00	.81	.47	.57	-.30	-.42	-.42	-.35
Percent Title I Pupils Served					1.00	.27	.33	-.30	-.44	-.32	-.25
Percent State Compensatory Education Pupils						1.00	.65	-.10	-.04	-.21	-.30
Percent Minority Pupils							1.00	.20	.19	-.05	-.09
Number of Pupils								1.00	.47	.15	.21
Personal Income Per Capita									1.00	.58	.15
Assessed Property Valuation Per Pupil										1.00	.12
Local School Tax											1.00

CORRELATION MATRIX

TABLE A-2

NEW JERSEY

Variables	Title I Funds Per Pupil	State Compensatory Education Aid Per Pupil	State General Aid Per Pupil	Percent Title I Eligible Pupils	Percent Title I Pupils Served	Percent State Compensatory Education Pupils	Percent Minority Pupils	Number of Pupils	Median Family Income	Assessed Property Valuation Per Pupil	Local School Tax Rate (\$ Per \$100)
Title I Funds Per Pupil	1.00	.99	.39	.19	.72	.58	.47	.16	-.56	.01	-.16
State Compensatory Education Aid Per Pupil		1.00	.35	.17	.69	.55	.46	.17	-.54	.01	-.17
State General Aid Per Pupil			1.00	.13	.41	.28	.40	.15	-.45	-.21	.10
Percent Title I Eligible Pupils				1.00	.45	.24	.09	-.02	-.26	-.19	-.12
Percent Title I Pupils Served					1.00	.63	.44	.21	-.52	-.17	-.18
Percent State Compensatory Education Pupils						1.00	.42	.23	-.47	-.13	-.13
Percent Minority Pupils							1.00	.43	-.41	-.22	-.07
Number of Pupils								1.00	-.20	-.20	-.09
Median Family Income									1.00	.34	.40
Assessed Property Valuation Per Pupil										1.00	-.27
Local School Tax											1.00

CORRELATION MATRIX

TABLE A-3

NEW YORK

Variables	Title I Funds Per Pupil	State Compensatory Education Aid Per Pupil	State General Aid Per Pupil	Percent of Students Below Poverty Line	Percent Title I Pupils Served	Percent State Compensatory Education Pupils	Percent Minority Pupils	Number of Pupils	Median Family Income	Assessed Property Valuation Per Pupil	Local School Tax Rate (Mills)
Title I Funds Per Pupil	1.00	.11	.05	.47	.51	.37	.45	.23	-.31	-.05	-.02
State Compensatory Education Aid Per Pupil		1.00	.37	.23	.11	.38	-.03	-.03	-.26	-.15	-.05
State General Aid Per Pupil			1.00	.29	.00	.25	-.26	-.05	-.45	-.44	-.10
Percent of Students Below Poverty Line				1.00	.34	.35	.21	.07	-.51	-.15	-.19
Percent Title I Pupils Served					1.00	.28	.27	.06	-.35	.26	-.21
Percent State Compensatory Education Pupils						1.00	.26	.05	-.32	-.13	-.05
Percent Minority Pupils							1.00	.24	.11	.08	.17
Number of Pupils								1.00	.01	-.01	.05
Median Family Income									1.00	.11	.49
Assessed Property Valuation Per Pupil										1.00	-.23
Local School Tax											1.00

CORRELATION MATRIX

TABLE A-4

TEXAS

Variables	Title I Funds Per Pupil	State Compensatory Education Aid Per Pupil	State General Aid Per Pupil	Percent Title I Eligible Pupils	Percent Title I Pupils Served	Percent State Compensatory Education Pupils	Percent Minority Pupils	Number of Pupils	Median Family Income	Assessed Property Valuation Per Pupil	Local School Tax Rate (Mills)
Title I Funds Per Pupil	1.00	.69	.15	.71	.67	.39	.55	.01	-.62	-.12	.02
State Compensatory Education Aid Per Pupil		1.00	.29	.80	.76	.65	.52	-.05	-.67	-.16	.06
State General Aid Per Pupil			1.00	.12	.19	.25	-.05	-.02	-.20	-.22	-.04
Percent Title I Eligible Pupils				1.00	.83	.49	.58	-.09	-.73	-.06	.10
Percent Title I Pupils Served					1.00	.61	.46	-.10	-.70	-.11	.09
Percent State Compensatory Education Pupils						1.00	.27	-.09	-.47	-.09	.07
Percent Minority Pupils							1.00	.11	-.49	.05	-.06
Number of Pupils								1.00	.26	-.06	-.03
Median Family Income									1.00	-.03	-.05
Assessed Property Valuation Per Pupil										1.00	-.12
Local School Tax											1.00

TABLE A-5

AVERAGES FOR SELECTED AID VARIABLES BY
PERCENTAGE OF POPULATION IN AN URBAN AREAFLORIDA

<u>Percent Urban</u>	<u>Average ESEA Title I Funds Per Pupil</u>	<u>Percent Title I Eligible Pupils</u>	<u>Percent Pupils Served by Title I</u>	<u>Average State Compensatory Education Aid Per Pupil</u>	<u>Average State Equalization Aid Per Pupil</u>
90 - 100 Percent (5 Districts)	\$27.53	17.0	8.0	\$6.34	\$517
80 - 90 Percent (4 Districts)	25.89	18.5	10.1	5.15	637
70 - 80 Percent (7 Districts)	22.04	17.4	7.0	5.71	523
60 - 70 Percent (7 Districts)	32.91	19.3	7.6	6.75	588
50 - 60 Percent (4 Districts)	30.83	18.0	9.8	5.23	587
40 - 50 Percent (4 Districts)	38.24	27.9	12.9	7.12	567
30 - 40 Percent (7 Districts)	25.29	17.2	7.5	6.60	615
20 - 30 Percent (7 Districts)	57.08	33.0	14.3	6.82	695
10 - 20 Percent (1 District)	26.54	15.9	5.8	5.50	186
Less than 10 Percent (15 Districts)	38.24	26.9	14.9	7.27	632
Statewide Average	\$28.91	18.8	8.9	\$6.16	\$587

TABLE A-6

AVERAGES FOR SELECTED AID VARIABLES BY
CENTRAL CITY, SUBURBAN AND NONMETROPOLITAN SCHOOL DISTRICTS, 1975-76

NEW JERSEY

	<u>Average ESEA Title I Funds Per Pupil</u>	<u>Percent Title I Eligible Pupils</u>	<u>Percent Pupils Served by Title I</u>	<u>Average State Compensatory Education Aid Per Pupil</u>	<u>Average State Equalization Aid Per Pupil</u>
Central City (17 Districts)	\$64.97	40.6	10.5	\$43.79	\$428
Suburban (Total) (331 Districts)	23.37	37.4	3.9	15.38	255
Suburban: More Than 2,000 Pupils (145 Districts)	16.68	34.1	2.7	11.27	190
Suburban: Less Than 2,000 Pupils (186 Districts)	28.58	40.3	4.8	18.58	307
Nonmetropolitan (Total) (170 Districts)	26.32	32.5	3.8	16.71	184
Nonmetropolitan: More Than 2,000 Pupils (59 Districts)	20.47	29.6	3.0	13.28	181
Nonmetropolitan: Less Than 2,000 Pupils (111 Districts)	29.43	34.2	4.3	18.54	186
Statewide Average	\$24.91	35.9	3.7	\$16.26	\$226

TABLE A-7

AVERAGES FOR SELECTED AID VARIABLES BY
CENTRAL CITY, SUBURBAN AND NONMETROPOLITAN SCHOOL DISTRICTS, 1975-76

NEW YORK

	<u>Average ESEA Title I Funds Per Pupil</u>	<u>Percent Title I Eligible Pupils</u>	<u>Average State Compensatory Education Aid Per Pupil</u>	<u>Average State Equalization Aid Per Pupil</u>
Central City (15 Districts)	\$79.23	12.4	\$36.88	\$ 826
Suburban (Total) (354 Districts)	20.52	6.3	35.64	883
Suburban: More Than 2,000 Pupils (228 Districts)	17.50	4.8	32.84	882
Suburban: Less Than 2,000 Pupils (126 Districts)	25.98	9.1	40.73	885
Nonmetropolitan (Total) (312 Districts)	27.43	8.7	44.92	1,066
Nonmetropolitan: More Than 2,000 Pupils (95 Districts)	26.97	6.8	42.42	1,049
Nonmetropolitan: Less Than 2,000 Pupils (214 Districts)	27.64	9.6	46.01	1,073
Statewide Average	\$24.98	7.5	\$39.90	\$ 966

TABLE A-8

AVERAGES FOR SELECTED AID VARIABLES BY
CENTRAL CITY, SUBURBAN AND NONMETROPOLITAN SCHOOL DISTRICTS, 1975-76

TEXAS

	Average ESEA Title I Funds Per Pupil	Percent Title I Eligible Pupils	Percent Pupils Served by Title I	Average State Compensatory Education Aid Per Pupil	Average State Equalization Aid Per Pupil
Central City Over 500,000 Population (9 Districts)	\$52.80	28.3	22.2	\$11.26	\$635
Cities 200,000 - 500,000 Population (6 Districts)	63.12	32.6	20.7	13.05	652
Suburb or Large City (34 Districts)	16.14	9.8	6.6	3.78	601
Rural Area Near Large City (53 Districts)	37.12	25.0	20.4	9.01	594
City 50,000 - 200,000 Population (23 Districts)	50.71	28.0	17.2	10.65	628
Suburb or Middle Size City (12 Districts)	17.13	12.2	8.4	4.84	599
Rural Area Near Middle Size City (106 Districts)	32.15	29.1	21.4	9.40	640
City Less Than 50,000 (384 Districts)	47.49	31.3	22.6	11.43	638
Rural Area (449 Districts)	45.45	36.7	27.8	12.25	642
Statewide Average	\$43.53	32.0	23.7	\$11.13	\$636

TABLE A-9

DISTRICT REVENUE PER PUPIL VARIABLES BY DECILES
OF ASSESSED PROPERTY VALUATION PER PUPILFLORIDA

<u>Deciles</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Local Revenue Per Pupil (Mills)</u>	<u>Local Revenue Plus State Equalization Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil</u>
First (47,870 Pupils)	\$ 22,264	\$141	\$ 892	\$ 917	\$ 899	\$ 923
Second (31,912 Pupils)	29,560	179	865	905	871	911
Third (79,090 Pupils)	34,073	243	919	946	925	952
Fourth (52,475 Pupils)	38,894	236	908	941	914	947
Fifth (351,531 Pupils)	44,646	310	964	1,001	970	1,007
Sixth (45,782 Pupils)	52,323	376	962	998	969	1,005
Seventh (14,292 Pupils)	60,406	376	966	999	973	1,006
Eighth (506,165 Pupils)	79,459	505	1,087	1,117	1,093	1,123
Ninth (31,123 Pupils)	101,137	618	1,109	1,126	1,116	1,133
Tenth (55,842 Pupils)	135,780	890	1,163	1,181	1,168	1,186
Range	\$113,516	\$749	\$ 298	\$ 276	\$ 297	\$ 275

TABLE A-10

DISTRICT REVENUE PER PUPIL VARIABLES BY DECILES
OF ASSESSED PROPERTY VALUATION PER PUPIL

NEW JERSEY

<u>Deciles</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Local Revenue Per Pupil (\$ Per \$100)</u>	<u>Local Revenue Plus State Equalization Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil</u>
First (373,516 Pupils)	\$ 27,583	\$ 585	\$1,155	\$1,206	\$1,188	\$1,238
Second (174,928 Pupils)	43,131	969	1,307	1,341	1,331	1,365
Third (222,092 Pupils)	56,112	1,162	1,372	1,394	1,385	1,406
Fourth (162,916 Pupils)	65,555	1,187	1,391	1,412	1,405	1,425
Fifth (150,436 Pupils)	73,266	1,161	1,378	1,398	1,393	1,412
Sixth (103,632 Pupils)	83,640	1,089	1,310	1,337	1,327	1,354
Seventh (102,700 Pupils)	95,365	1,031	1,229	1,249	1,242	1,261
Eighth (83,148 Pupils)	117,985	1,107	1,243	1,269	1,260	1,285
Ninth (71,396 Pupils)	145,013	1,101	1,236	1,252	1,246	1,261
Tenth (53,550 Pupils)	301,136	1,607	1,750	1,774	1,765	1,789
Range	\$273,553	\$1,022	\$ 595	\$ 568	\$ 577	\$ 551

TABLE A-11

DISTRICT REVENUE PER PUPIL VARIABLES BY DECILES
OF ASSESSED PROPERTY VALUATION PER PUPILNEW YORK

<u>Deciles</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Local Revenue Per Pupil (Mills)</u>	<u>Local Revenue Plus State Equalization Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil</u>
First (11,956 Pupils)	\$ 23,319	\$ 504	\$1,774	\$1,806	\$1,828	\$1,860
Second (141,304 Pupils)	28,910	625	1,821	1,844	1,873	1,896
Third (192,304 Pupils)	32,890	671	1,826	1,852	1,880	1,907
Fourth (249,356 Pupils)	36,957	808	1,912	1,936	1,956	1,980
Fifth (319,470 Pupils)	41,755	860	1,923	1,947	1,963	1,986
Sixth (283,764 Pupils)	47,322	1,034	2,023	2,047	2,066	2,090
Seventh (332,928 Pupils)	54,927	1,236	2,170	2,193	2,207	2,230
Eighth (1,340,008 Pupils)	68,734	1,520	2,294	2,317	2,323	2,345
Ninth (235,552 Pupils)	91,566	2,091	2,736	2,765	2,760	2,790
Tenth (122,536 Pupils)	259,793	3,040	3,573	3,596	3,595	3,618
Range	\$236,474	\$2,544	\$1,799	\$1,790	\$1,767	\$1,758

TABLE A-12

DISTRICT REVENUE PER PUPIL VARIABLES BY DECILES
OF ASSESSED PROPERTY VALUATION PER PUPILTEXAS

<u>Deciles</u>	<u>Average Assessed Property Valuation Per Pupil</u>	<u>Local Revenue Per Pupil (Mills)</u>	<u>Local Revenue Plus State Equalization Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil</u>
First (29,916 Pupils)	\$ 41,754	\$ 206	\$ 911	\$ 965	\$ 923	\$ 977
Second (37,878 Pupils)	63,571	302	922	1,031	1,002	1,042
Third (56,052 Pupils)	78,552	328	1,015	1,053	1,026	1,064
Fourth (90,736 Pupils)	94,466	385	1,050	1,095	1,062	1,106
Fifth (136,836 Pupils)	110,697	401	1,092	1,140	1,105	1,153
Sixth (188,892 Pupils)	134,815	488	1,164	1,209	1,175	1,220
Seventh (475,615 Pupils)	168,448	532	1,187	1,235	1,201	1,249
Eighth (347,328 Pupils)	225,276	729	1,345	1,399	1,359	1,412
Ninth (462,240 Pupils)	317,398	961	1,574	1,615	1,585	1,626
Tenth (699,948 Pupils)	1,351,598	2,344	2,703	2,728	2,708	2,733
Range	\$1,319,844	\$2,138	\$1,792	\$1,763	\$1,785	\$1,756

TABLE A-13

DISTRICT REVENUE PER PUPIL VARIABLES BY
DECILES OF MEDIAN FAMILY INCOMENEW JERSEY

Decile	Median Family Income	Local Revenue Per Pupil (\$ Per \$100)	Local Revenue Plus State Equalization Aid Per Pupil	Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil	Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil	Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil
First (225,775 Pupils)	\$ 8,200	\$ 633	\$1,096	\$1,164	\$1,140	\$1,208
Second (121,725 Pupils)	9,449	874	1,227	1,269	1,255	1,297
Third (76,150 Pupils)	10,089	875	1,169	1,202	1,190	1,223
Fourth (80,400 Pupils)	10,757	875	1,109	1,134	1,124	1,148
Fifth (65,988 Pupils)	11,244	1,114	1,286	1,305	1,298	1,317
Sixth (63,600 Pupils)	11,735	1,163	1,340	1,362	1,353	1,375
Seventh (73,525 Pupils)	12,456	1,283	1,457	1,472	1,466	1,481
Eight (72,325 Pupils)	13,572	1,289	1,441	1,455	1,450	1,465
Ninth (55,100 Pupils)	15,743	1,262	1,391	1,399	1,397	1,405
Tenth (58,150 Pupils)	19,571	1,360	1,480	1,488	1,486	1,494
Range	\$11,571	\$ 727	\$ 384	\$ 324	\$ 346	\$ 286

TABLE A-14

DISTRICT REVENUE PER PUPIL VARIABLES BY
DECILES OF MEDIAN FAMILY INCOMENEW YORK

Decile	Median Family Income	Local Revenue Per Pupil (Mills)	Local Revenue Plus State Equalization Aid Per Pupil	Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil	Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil	Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil
First (59,024 Pupils)	\$ 7,503	\$ 931	\$2,011	\$2,043	\$2,057	\$2,089
Second (87,584 Pupils)	8,341	812	1,901	1,935	1,947	1,981
Third (172,176 Pupils)	8,767	734	1,899	1,931	1,947	1,979
Fourth (208,896 Pupils)	9,202	884	1,941	1,971	1,988	2,019
Fifth (1,273,257 Pupils)	9,630	1,128	2,162	2,191	2,207	2,236
Sixth (209,848 Pupils)	10,105	1,348	2,244	2,271	2,278	2,305
Seventh (209,032 Pupils)	10,777	1,328	2,253	2,275	2,291	2,312
Eighth (379,916 Pupils)	11,714	1,278	2,176	2,196	2,221	2,241
Ninth (392,836 Pupils)	13,424	1,723	2,519	2,534	2,547	2,562
Tenth (336,464 Pupils)	16,787	2,229	2,944	2,952	2,964	2,972
Range	\$ 9,204	\$1,298	\$ 933	\$ 909	\$ 907	\$ 883

TABLE A-15

DISTRICT REVENUE PER PUPIL VARIABLES BY
DECILES OF MEDIAN FAMILY INCOMETEXAS

<u>Decile</u>	<u>Median Family Income</u>	<u>Local Revenue Per Pupil (Mills)</u>	<u>Local Revenue Plus State Equalization Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus State Compensatory Education Per Pupil</u>	<u>Local Revenue Plus State Equalization Aid Plus ESEA Title I Aid Plus State Compensatory Education Per Pupil</u>
First (99,426 Pupils)	\$ 4,228	\$337	\$1,014	\$1,112	\$1,037	\$1,136
Second (107,237 Pupils)	5,130	356	1,040	1,113	1,057	1,130
Third (72,197 Pupils)	5,659	417	1,119	1,177	1,134	1,192
Fourth (115,997 Pupils)	6,143	450	1,119	1,172	1,132	1,186
Fifth (128,094 Pupils)	6,585	436	1,101	1,150	1,112	1,162
Sixth (181,040 Pupils)	7,032	482	1,096	1,142	1,106	1,151
Seventh (172,499 Pupils)	7,498	576	1,180	1,213	1,188	1,220
Eighth (304,775 Pupils)	8,105	545	1,146	1,183	1,155	1,191
Ninth (558,815 Pupils)	9,070	707	1,277	1,299	1,282	1,305
Tenth (757,766 Pupils)	11,201	579	1,141	1,153	1,144	1,156
Range	\$ 6,973	\$242	\$ 172	\$ 41	\$ 107	\$ 20